

January 24, 2025

The Honorable Brenda Dietrich, Chairperson
Senate Committee on Financial Institutions and Insurance
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Dietrich:

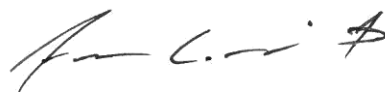
SUBJECT: Fiscal Note for SB 22 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 22 is respectfully submitted to your committee.

Under current law, a title insurance agent is required to submit a copy of their audit report to the Insurance Commissioner within 30 days after the close of the calendar year. SB 22 would require agents to make their audit reports available for inspection upon request of the Insurance Commissioner. Also under current law, title insurance agents who handle escrow, settlement, or closing accounts are required to file a surety bond or irrevocable letter of credit with the Insurance Commissioner and the surety bond or irrevocable letter of credit amounts are tiered based on the county's population where the property is located. The bill would remove the tiered schedule and require a \$100,000 surety bond or irrevocable letter of credit regardless of the county's population size. The bill would also eliminate the current controlled business exemption in counties that have a population of 10,000 or less.

The Kansas Department of Insurance states that the bill would not have a fiscal effect for the agency. The Division of the Budget notes that title insurance agents could experience higher operating costs.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Insurance Department