



March 11, 2026

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 528 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 528 is respectfully submitted to your committee.

SB 528 would require any municipal insurance pool seeking to provide coverage on a self-funded basis to demonstrate to the Insurance Commissioner that the pool is funded to the maximum exposure of its annual claims. The bill would prohibit a group failing to meet certain reserve requirements from being eligible for self-funding. The bill would require each municipal self-funded insurance pool to submit an annual certification to the Department of Insurance verifying the pool has been funded to the maximum exposure for the plan year. The bill would also require each municipal self-funded insurance pool to provide certain information in its annual statement, including the total claims paid for the year, the reserve fund balance, all administrative expenses, and an actuarial certification. The Insurance Commissioner would be authorized to examine and audit such financial records.

The Department of Administration, Department of Health and Environment, and Department of Insurance indicate enactment of the bill would not have a fiscal effect on the agencies.

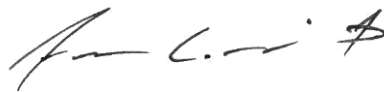
The League of Kansas Municipalities indicates enactment of the bill would have a negligible fiscal effect on cities that could be absorbed within existing resources. Cities that are members of municipal self-funded insurance pools could experience additional administrative or compliance costs associated with meeting the new reserve, funding, and reporting requirements established in the bill. These costs could include adjustments to reserve funding levels, actuarial

or financial reviews, reporting, compliance, and potential administrative changes to pool governance or operations. However, a precise fiscal effect cannot be estimated at this time.

The Kansas Association of Counties indicates that counties that participate in municipal insurance pools could incur additional administrative costs associated with pool participation, but a precise fiscal effect cannot be estimated.

The Kansas Association of School Boards indicates enactment of the bill would likely result in an increase in premiums for any school districts that are currently members of municipal self-funded insurance pools. The Association notes that members would either have to pay for the increase in premiums to retain membership or search for other options in the private market which are typically more costly than self-funded pool membership.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Samir Arif, Department of Administration
Kyle Strathman, Department of Insurance
Amy Penrod, Department of Health & Environment
Wendi Stark, League of Kansas Municipalities
Bruce Chladny, Kansas Association of Counties
Angie Stallbaumer, Kansas Association of School Boards