

February 7, 2014

The Honorable Rob Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

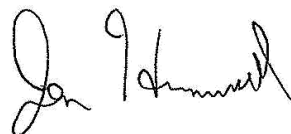
SUBJECT: Fiscal Note for SB 309 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 309 is respectfully submitted to your committee.

SB 309 would add “qualified professional associations” to the list of individuals and organizations not subject to the jurisdiction of the Commissioner of Insurance. In addition, a “qualified professional association” would be required to pay a 1.0 percent annual tax on the annual Kansas gross premium collected during the preceding calendar year as a condition precedent to avoiding the Commissioner’s jurisdiction.

According to the Kansas Insurance Department, enactment of SB 309 could result in an increase of insurance premiums tax, as “qualified professional associations” would be subject to the 1.0 percent annual tax on the annual Kansas gross insurance premiums collected. However, the agency states that it does not have an estimate of the number of new associations that might be incorporated and would be subject to the tax. Any fiscal effect associated with SB 309 is not reflected in *The FY 2015 Governor’s Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Zac Anshutz, Insurance Department