

January 27, 2015

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 235-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 54 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 54 is respectfully submitted to your committee.

Under current law, an insurance company is prohibited from terminating a motor vehicle liability insurance policy or renewal, except for nonpayment or by request from the insured, until at least 30 days after mailing a notice of termination to the insured by certified or registered mail, or United States post office certificate of mailing. SB 54 would add to the allowed methods of delivery, first class mail using Intelligent Mail barcode (IMb), or another mail tracking method used, approved or accepted by the United States Postal Service.

The Kansas Insurance Department indicates that an IMb is a 65-bar code that can be applied to mail in the United States, for which companies with bulk mailings receive an automation discount from the United States Postal Service. However, the Department indicates that insurance companies are required to prove a notice of termination was mailed while IMb Tracing only provides evidence of the date of delivery and would not be a substitute for certified mailing. The Department indicates that SB 54 would have no fiscal effect on agency operations.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance Department
Jack Smith, KDOR