

January 28, 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 76 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 76 is respectfully submitted to your committee.

SB 76 would create the Risk Management and Own Risk and Solvency Assessment (ORSA) Act. The bill would provide requirements for certain insurance companies for maintaining a risk management framework and completing an ORSA summary report with the Kansas Insurance Commissioner. Insurance companies with less than \$500.0 million of premiums and insurance groups with less than \$1.0 billion of premiums would be exempt from filing the ORSA reports. In addition, an insurance company or group may apply to the Insurance Commissioner for a waiver, based upon unique circumstances outlined in the bill.

According to the Kansas Insurance Department, enactment of SB 76 may require approximately 200 hours annually for its staff to review the submitted ORSA reports. The Department indicates that its existing staff would absorb the additional workload. However, if its existing staff cannot absorb the work load, the agency would contract the workload at a cost of at least \$50 per hour to a private contractor. Any fiscal effect associated with SB 76 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Glenda Haverkamp, Insurance Department