

February 8, 2017

The Honorable Jene Vickrey, Chairperson  
House Committee on Insurance  
Statehouse, Room 276-W  
Topeka, Kansas 66612

Dear Representative Vickrey:

**SUBJECT:** Fiscal Note for HB 2233 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2233 is respectfully submitted to your committee.

Under current law, the marketing and sale of “service contracts” in Kansas is exempt from regulation by the Insurance Department. HB 2233 would expand the definition of a service contract to include a contract that repairs or replaces tires from road hazard incidents, removal or dings on a motor vehicle using a paintless dent removal method, repair of chips or crack in motor vehicle windshields from road hazard incidents, and the replacement of a motor vehicle key or key fob.

Because service contracts are exempt from regulation by the Insurance Department, enactment of HB 2233 would have no fiscal effect on the agency. For consumers, the expansion of the definition of a “service contract” could affect the sale or marketing of the contracts; however, a fiscal effect cannot be estimated.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Glenda Haverkamp, Insurance