

February 17, 2019

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

Dear Representative Vickrey:

SUBJECT: Fiscal Note for HB 2182 by Representative Hodge

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2182 is respectfully submitted to your committee.

HB 2182 would raise the minimum bodily injury or death limits of liability to \$100,000 for one person and \$300,000 for two or more persons in any one accident as well as \$25,000 for property damage coverage for individuals with a record of conviction for certain crimes within ten years of the commission of the offense. The bill would require such minimum limits of liability for individuals with convictions of: (1) vehicular battery or aggravated vehicular homicide while driving under the influence; (2) driving under the influence; (3) aggravated battery causing great bodily harm or disfigurement while driving under the influence; and (4) involuntary manslaughter while committing the act of flight from the offense of driving under the influence. In addition, the bill would require such minimum limits of liability if such offenses were committed in another state, as a violation of a city ordinance in Kansas, or on or off a military reservation in Kansas.

According to the Insurance Department, enactment of HB 2182 would have no fiscal effect on agency expenditures. However, the agency notes that the bill would result in an increase of premium taxes collected from insurance companies, as premiums will be presumably higher for drivers that must maintain the higher insurance limits. The agency would retain 1.0 percent of any additional premium tax collected from enactment of the bill and the remainder would be remitted to the State General Fund. The agency notes that increases in automobile premiums tend to result in higher numbers of drivers operating vehicles without the required insurance. In addition, the agency states that the increase in premium tax revenue from enactment of the bill may not remain stable if it results in more uninsured drivers. However, the fiscal effect cannot be estimated

because the number of additional premium taxes that would be collected is unknown. Any fiscal effect associated with HB 2182 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, reading "L. L. Campbell". The signature is written in a cursive style with a large, stylized initial "L".

Larry L. Campbell
Director of the Budget

cc: Glenda Haverkamp, Insurance