

February 12, 2019

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

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 67 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 67 is respectfully submitted to your committee.

SB 67 would require life insurers to perform a comparison of its in-force life insurance and annuity policies, contracts and retained asset accounts against a death master file, on at least a semi-annual basis, to identify policy holders who may have died. If a match is found, the bill would direct how the insurer is to locate beneficiaries and, when beneficiaries cannot be located, when to escheat proceeds of such policies to the State Treasurer. In addition, the bill would describe circumstances under which the failure of an insurer to comply with the provisions of the bill may be considered an unfair or deceptive act that would be investigated by the Insurance Commissioner.

According to the Insurance Department, enactment of SB 67 could result in additional costs related to enforcement actions on life insurers that violate provisions of the bill. However, the fiscal effect cannot be estimated because the number of additional enforcement actions that would result from enactment of the bill is unknown. Any fiscal effect associated with SB 67 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Glenda Haverkamp, Insurance