

January 27, 2021

The Honorable Steve Johnson, Chairperson
House Committee on Insurance and Pensions
Statehouse, Room 276A-W
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2134 by House Committee on Insurance and Pensions

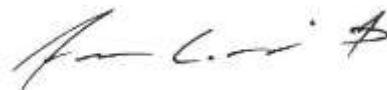
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2134 is respectfully submitted to your committee.

HB 2134 would adopt the 2019 revisions to the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Law and would also codify the 2019 revisions of the NAIC Credit for Reinsurance Model Regulation. These two revisions implement the reinsurance collateral provisions of covered agreements that were entered into between the United States, the European Commission, and the United Kingdom, which require states to eliminate collateral requirements within five years or be subject to federal preemption.

The bill also would define “group-side supervisor” and “internationally active insurance group.” HB 2134 would implement notification requirements pertaining to the divestiture in the controlling interest in a domestic insurer and reacquisitions of a domestic insurer. The bill further could clarify that certain transactions subject to review would also include amendments and modifications to previously filed transactions.

The Kansas Department of Insurance states that HB 2134 would have no fiscal effect.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Bobbi Mariani, Insurance