

January 28, 2013

The Honorable Rob Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 225-E
Topeka, Kansas 66612

Dear Senator Olson:

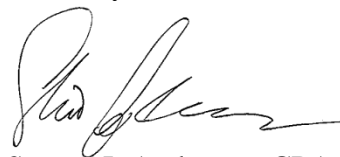
SUBJECT: Fiscal Note for SB 51 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 51 is respectfully submitted to your committee.

SB 51 would add a trade organization of banks to the list of associations that provide health insurance coverage exempt from the jurisdiction of the Commissioner of Insurance. The bill would allow the trade association to provide health insurance coverage to its members and not be required to pay the insurance premiums tax to the Kansas Insurance Department.

The Insurance Department indicates that SB 51 would decrease the amount of insurance premium taxes that are deposited in the State General Fund in FY 2014 and in each year thereafter. However, the Insurance Department is unable to provide a precise estimate of the reduction to State General Fund revenues because it does not have data on the amount of insurance premium taxes that would be paid by this trade association under current law. The bill would have no fiscal effect on the operations of the Office of the State Bank Commissioner. Any fiscal effect associated with SB 51 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Diane Bellquist, Banking
Steve Neske, Revenue
Zac Anshutz, Insurance