

February 3, 2015

The Honorable Scott Schwab, Chairperson
House Committee on Insurance
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Schwab:

SUBJECT: Fiscal Note for HB 2067 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2067 is respectfully submitted to your committee.

Under current law, the minimum auto insurance policy limits are \$25,000 for bodily injury for one person, \$50,000 for bodily injury for multiple people, and \$10,000 for property damage. HB 2067 would increase the minimum policy limits to \$50,000 for bodily injury for one person, \$75,000 for multiple people, and \$35,000 for property damage.

According to the Kansas Insurance Department, enactment of HB 2067 could cause an increase of premiums that consumers would pay for auto insurance. However, the Department indicates that the potential increase would be negligible. In addition, the Department states that the bill has a potential to increase taxes collected from insurance companies from higher premiums for auto insurance from the higher minimum levels of coverage. Conversely, the Department states that there is also a potential for a reduction of premium taxes collected if the number of individuals would choose not to pay higher premiums and become uninsured. Either way, the fiscal effect on insurance premium taxes collected by the state cannot be estimated. Any fiscal effect associated with HB 2067 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance