

January 27, 2022

REVISED

The Honorable Jeff Longbine, Chairperson  
Senate Committee on Financial Institutions & Insurance  
Statehouse, Room 546-S  
Topeka, Kansas 66612

Dear Senator Longbine:

**SUBJECT:** Revised Fiscal Note for SB 377 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 377 is respectfully submitted to your committee.

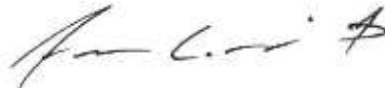
SB 377 would allow a technology-enabled fiduciary financial institution (TEFFI) insurance company to operate as a captive insurance company. The bill details the requirements of a TEFFI insurance company, including the types of insurance and investments permitted. The bill requires that any suit, action, or proceeding relating to a TEFFI policy would be heard in a Kansas district court or federal district court.

The Insurance Department states that if one TEFFI insurance company applies for admission and approval, then the Department would be able to absorb the additional workload within existing resources. Currently only one TEFFI exists within Kansas.

Since the fiscal effect statement was issued, the Judiciary has provided information on the effect of this bill. The Office of Judicial Administration states that the enactment of SB 377 could increase the number of cases filed in district courts and increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. In addition, the district court clerks would be required to ensure that these particular court proceedings are sealed and not made part of the public record, which would require a new case type to be created in the Centralized Case Management System. If the System cannot be configured to add the new case type, additional manual work for clerks would be required. Enactment of SB 377 could also result

in the collection of additional docket fees collected. However, a fiscal effect cannot be estimated at this time. The Office of the State Bank Commissioner states that the bill would not have a fiscal effect on its operations. Any fiscal effect associated with SB 377 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Bobbi Mariani, Insurance  
Barbara Albright, Office of the Banking Commissioner  
Lynn Robinson, Department of Revenue  
Vicki Jacobsen, Judiciary