

January 25, 2021

The Honorable Jeff Longbine, Chairperson  
Senate Committee on Insurance  
Statehouse, Room 235A-E  
Topeka, Kansas 66612

Dear Senator Longbine:

**SUBJECT:** Fiscal Note for SB 28 by Senate Committee on Insurance

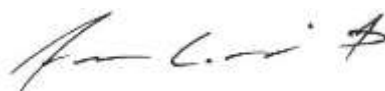
In accordance with KSA 75-3715a, the following fiscal note concerning SB 28 is respectfully submitted to your committee.

SB 28 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.” SB 28 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 would clarify that certain transactions subject to review would also include amendments and modifications to previously filed transactions.

The Kansas Department of Insurance states that SB 28 would have no fiscal effect.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Bobbi Mariani, Insurance