

March 21, 2019

The Honorable Robert Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 228 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 228 is respectfully submitted to your committee.

Under current law, a Third Party Administrator (TPA) is required to provide organizational documents, biographical information for responsible parties, and audited financial statements to the Kansas Insurance Department for review and licensure. Current law indicates that TPAs must pay application, renewal and annual report fees as provided by rules and regulations adopted by the Department. SB 228 would set the amount of a license application fee at \$400 for home state and non-resident TPAs. The bill would also establish a \$100 fee to be included with the submission of each TPAs annual report and a \$200 fee to be included in the submission of a TPAs biennial renewal application.

According to the Kansas Insurance Department, enactment of SB 228 would generate approximately \$99,500 in revenue to the Insurance Department Service Regulation Fund from fees beginning in FY 2020 based on the expected number of new home state and non-resident applications, renewal of home state and non-resident applications and annual report filing fees. The Department indicates it cannot estimate the expenditures associated with the additional oversight and analysis that would be required by enactment of the bill. However, the Department states that the revenues generated from the bill are likely sufficient to cover any additional costs. Any fiscal effect associated with SB 228 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Glenda Haverkamp, Insurance