

February 19, 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 166 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 166 is respectfully submitted to your committee.

SB 166 would state that no person could be stayed, enjoined or prohibited from exercising any contractual right to terminate obligations in connection with any netting agreement or qualified financial contract with an insurer under certain conditions outlined in the bill. A netting contract relates to the settlement of obligations between two parties that processes the combined value of transactions. The bill would consider commodity contracts, forward contracts, repurchase agreements, and securities contracts as “qualified financial contracts.”

According to the Kansas Insurance Department, enactment of SB 166 would have no fiscal effect on the agency.

Sincerely,



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

cc: Zac Anshutz, Insurance Department