



Kansas Insurance Department

Ken Selzer, CPA, Commissioner of Insurance

BULLETIN 2018-1

To: All Persons and Business Entities Paying for Services of the Kansas Insurance Department

From: Ken Selzer, CPA, Commissioner of Insurance

Subject: House Substitute for Senate Bill 109, Legislative Sweep of \$8 million dollars.

Date: May 25, 2018

The purpose of this Bulletin is to provide notice, pursuant to K.S.A. 75-3036 (b), to all persons and entities that have paid money to the Kansas Insurance Department (KID) Service Regulation Fund in the past 24 months, of the pending sweep of \$8 million dollars from the Fund to the State General Fund (SGF). House Substitute for Senate Bill 109, signed by Governor Colyer on May 15, 2018, effectively sweeps \$8 million dollars from KID's Service Regulation Fund into the SGF. Under K.S.A. 75-3036(b), when a fee agency receives money for a specific purpose and the money is subsequently transferred into the SGF for general government services, the person or entity shall receive notice of the sweep by the fee agency.

In the 2017 Legislative session, K.S.A. 75-3036 was amended to include language that specifically limits the use of agency fee funds to, "...the purposes set forth in the statutes concerning such funds and for no other governmental purposes." The Service Regulation Fund is authorized by K.S.A. 40-112 for the purpose of maintaining KID and the payment of expenses. Paragraph (g) of K.S.A. 40-112 states any unexpended balance in the Service Regulation Fund shall remain credited to the Service Regulation Fund for use in the succeeding fiscal year and, "shall be used to reduce future assessments or to accommodate cash flow demands on the fund."

The KID is a wholly fee-funded agency whose budget does not include SGF money. If necessary, and under the provisions of K.S.A. 40-112, the Commissioner may make an annual assessment on insurers in order to regulate the business of insurance, should the balance in the Service Regulation Fund fall to a level that would disrupt services.

If you have any questions or concerns about this Bulletin, please contact Diane Minear, General Counsel, at diane.minear@ks.gov.