



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger

COMMISSIONER OF INSURANCE

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REVENUE FROM INSURANCE PREMIUMS SHOWS INCREASE

Commissioner Praeger Reports Increase to State General Fund

Kansas Insurance Commissioner Sandy Praeger reported today that February tax receipts from premiums on insurance policies have generated more than \$8.5 million—more than four times the amount projected by the state's Consensus Revenue Estimating Group for the month of February. That money goes directly into the State General Fund.

“The good news is the money is coming just when the state needs it most, but it's a mixed blessing, because it's a direct result of Kansas consumers paying more for insurance products,” said Praeger. “In fact, this accentuates the need to work toward building a more competitive insurance marketplace in Kansas. When we have more companies competing for the business of our consumers, then we'll be able to bring these premiums under control.”

Insurance premium taxes generated \$8,504,533 in February, a huge increase over the Consensus Revenue Estimate projection of \$2 million. Companies that sell insurance policies in Kansas pay two percent of their taxable premiums in lieu of the corporate income taxes that other businesses pay. Currently, 1,684 insurance companies do business in Kansas.

The Kansas Insurance Department is the state's third largest revenue producer, generating approximately \$85 million a year for the State General Fund. “At this rate, it would not be surprising for us to exceed that amount,” said Praeger.

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