

Approved: Jan. 27, 1994

Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Richard Bond at 9:05 a.m. on January 26, 1994 in Room 529-S of the Capitol.

All members were present.

Committee staff present: William Wolff, Legislative Research Department
Fred Carman, Revisor of Statutes
June Kossover, Committee Secretary

Conferees appearing before the committee: John Timmer, Gubernatorial Appointee to State Banking Board
James Maag, Kansas Bankers Association
Darrell Craft, Kansas Bankers Association, Trust Division
Brad Berggman, Midwest Trust Company
Jerry Slaughter, Kansas Medical Society
Rita Nall, Health Care Stabilization Fund

Others attending: See attached list

Senator Corbin made a motion, seconded by Senator Steffes, to approve the minutes of the meeting of January 25 as submitted. The motion carried.

Chairman Bond opened the confirmation hearing on John Timmer, Gubernatorial Appointee to the State Banking Board. (Attachment #1.) Mr. Timmer provided brief personal background information and stated that, having attended three board meetings to date, he was very impressed with the State Banking Board and with the Bank Commissioner and his staff. Senator Bond observed that it is very positive to appoint a public member with a non-banking background to the board and that Mr. Timmer is an excellent choice. Following brief conversation with Mr. Timmer regarding his background and qualifications, and problems facing the banking industry, the chairman expressed the committee's appreciation to Mr. Timmer for appearing, and the confirmation hearing was closed.

Hearing was opened on SB 504, concerning the operation of trust companies. James Maag, Kansas Bankers Association, appeared to urge passage of this bill and to introduce Darrell Craft, of the Trust Division of the Kansas Bankers Association. Mr. Craft requested that the committee consider amendments to SB 504 (Attachment #2.) Mr. Craft informed the committee that the proposed amendment uses language suggested by the American Bankers Association which basically has been adopted by 32 states. The intent of the amendment is to clarify 17-5004 to set guidelines for investing fiduciary funds by banks and trust companies. Senator Bond requested further clarification of the language in the proposed amendment. Mr. Craft advised that the language in 17-5005 is ambiguous and this bill attempts to clear up the language. Senator Steffes observed that the term "reasonable" remuneration is very broad and requested Mr. Craft's explanation. Mr. Craft stated that "reasonable" is interpreted as falling within the existing fee parameters within the community.

Brad Berggman, Midwest Trust Company, appeared as a proponent of this legislation and explained that this legislation was initially intended to give banks an opportunity to be more competitive; however, the original language was not clear enough to establish proprietary mutual funds or to allow proprietary funds to be used as an alternative to common funds. There being no further conferees, the hearing on SB 504 was closed.

Senator Steffes made a motion, seconded by Senator Praeger, to amend SB 504 as proposed by the Kansas Bankers Association. The motion carried.

Senator Moran moved to recommend SB 504 favorably as amended. Senator Praeger seconded the motion. The motion carried. Senator Steffes will carry the bill.

Senator Praeger made a motion to recommend to the Senate the confirmation of John Timmer to the State Banking Board. Senator Hensley seconded the motion. The motion carried.

The hearing was opened on SB 474, concerning liabilities of the Health Care Stabilization Fund. Jerry Slaughter, Kansas Medical Society, appeared as a proponent of this legislation. (Attachment #3.) Mr. Slaughter explained that this legislation would transfer responsibility for payment of expenses incurred by the HCSF oversight committee from the state general fund to the HCSF. Mr. Slaughter explained the function and the need for the oversight committee. Mr. Slaughter also requested an amendment to SB 474--to add to

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,
Room 529-S Statehouse, at 9:05 a.m. on January 26, 1994.

the definition of "health care provider" certain limited liability companies organized for the purpose of rendering professional health care. The Omnibus Budget Reconciliation Act of 1993 made it necessary for certain professional corporations of physicians to form limited liability companies in order to continue to provide laboratory services in a shared ownership clinic situation. This amendment would require laboratories operating under such circumstances to be covered by the HCSF. Rita Nall, attorney for the Health Care Stabilization Fund, stated that the HCSF has no opposition to the bill or the proposed amendment but requested input in drafting the language of the amendment. There being no further conferees, the hearing on **SB 474** was closed.

The chairman reopened the discussion on **SB 507**, which was tabled pending hearing and action on **SB 474** since both amend the same statute pertaining to the HCSF. **SB 507** concerns attorneys fees established by the Commissioner of Insurance in claims against health care provider insurance and the fund. (Please refer to minutes of the meeting of January 20, 1994.) Senator Hensley made a motion to amend the provisions of **SB 507** into **SB 474**. The motion was seconded by Senator Praeger. The motion carried.

Senator Lee made a motion to conceptually amend **SB 474** with language agreed upon by Ms. Nall and Mr. Slaughter. Senator Petty seconded the motion. The motion carried.

Senator Hensley then moved to recommend **SB 474** favorably as amended. The motion was seconded by Senator Lawrence. The motion carried.

The committee adjourned at 9:52 a.m.

The next meeting is scheduled for January 27, 1994.

GUEST LIST

SENATE

COMMITTEE: FINANCIAL INSTITUTIONS AND INSURANCE

DATE: 1-26-94

[illegible]

SENATE CONFIRMATION QUESTIONNAIRE
APPOINTMENTS BY GOVERNOR JOAN FINNEY

Name: John B. Timmer

Home Address: 4500 Turnberry Drive

City, State, Zip Code: Lawrence, Kansas 66047

Home Phone: 913 / 749-0046

Business Address: O'Hare Int'l Airport, PO Box 66065

City, State, Zip Code: Chicago, IL 60666

Business Phone: 312 / 686-4340

Date of Birth: 16 May 1949 Place of Birth Muskegon, Michigan

Party Affiliation Democrat

Appointed as: a member / Banking Board

Effective 11/4/93 for the 3 year term
ending 4/30/96 Succeeding Howard Paul

Salary N/A Statutory Authority 74-3004

Statutory Requirements _____

1. EDUCATION:

High School Bowie High School, Bowie, MD

Year Graduated 1967

Postsecondary	Degree, etc.	Dates
<u>U.S. Air Force Academy</u>	<u>B.S.</u>	<u>1971</u>
<u>Oklahoma State University</u>	<u>M.A.</u>	<u>1980</u>
<u>University of Kansas</u>	<u>J.D.</u>	<u>1984</u>

Senate 7/4/1 1/26/94
Attachment # 1

6. EXPERIENCE OR INTERESTS WHICH QUALIFY YOU FOR THE OFFICE TO WHICH YOU HAVE BEEN APPOINTED:

With my educational background, experience and interest, I believe that

I can make an important contribution to the Banking Commission.

7. SUMMARY OF BUSINESS OR PROFESSIONAL EXPERIENCE: _____

7 years with American Airlines; 2 years with Associated Aviation

Underwriters; 20 years total service in US Air Force, Air National

Guard and Air Force Reserve

8. HAVE YOU EVER BEEN A MEMBER OF THE ARMED FORCES OF THE UNITED STATES? yes

If so, please list dates of service, branch of service and date and type of discharge:

1971-1982

US Air Force

Honorable discharge

9. HAVE YOU EVER BEEN ARRESTED, CHARGED OR HELD BY FEDERAL, STATE OR OTHER LAW ENFORCEMENT AUTHORITIES FOR VIOLATION OF ANY FEDERAL LAW, STATE LAW, COUNTY OR MUNICIPAL LAW, REGULATION OR ORDINANCE (EXCLUDING TRAFFIC VIOLATIONS FOR WHICH A FINE OF \$100 OR LESS WAS IMPOSED)? no

10. DISPOSITION OF ANY INTERESTS THAT MIGHT HAVE PRESENTED A POTENTIAL CONFLICT OF INTEREST FOR THIS POSITION.

none

Return to: Mary Holladay
Appointment Secretary
Office of the Governor
2nd Floor, State Capitol
Topeka, KS 66612

John B. Timmer
Signature

7141 1/26/94
1-3



FI D

DEC 21 1993
BNBILL GRAVES
SECRETARY OF STATE

KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

STATEMENT OF SUBSTANTIAL INTERESTS FOR INDIVIDUALS WHOSEAPPOINTMENT TO STATE OFFICE IS SUBJECT TO SENATE CONFIRMATION

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by each person whose appointment to a state position is subject to Senate confirmation (K.S.A. 46-247 and 46-248). Failure to complete and return this statement may result in a fine of \$10 per day for each day it remains unfiled. Also, any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 913-296-4219.

A. IDENTIFICATION:

PLEASE TYPE OR PRINT

T I M M E R J O H N B

Last Name

First Name

MI

G L O R I A M T I M M E R

Spouse's Name

4 5 0 0 T U R N B E R R Y D R I V E

Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

L A W R E N C E K A N S A S 6 6 0 4 7

City, State, Zip Code

9 1 3 ** 7 4 9 ** 0 0 4 6

Home Phone Number

** **

Business Phone Number

B. APPOINTED POSITION SUBJECT TO SENATE CONFIRMATION:

S T A T E B A N K I N G B O A R D

List Name of Agency, Commission or Board

M E M B E R

Position

* The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

* 7 8 9 0

- C. **OWNERSHIP INTERESTS:** List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income in, which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.
- If you have nothing to report in Section "C", check here ☒.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	HELD BY WHOM	PERCENT OF OWNERSHIP INTERESTS
1.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>
2.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>
3.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>
4.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>
5.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>
6.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>
7.			<input type="checkbox"/> You	<input type="checkbox"/>
			<input type="checkbox"/> Spouse	<input type="checkbox"/>
			<input type="checkbox"/> Jointly	<input type="checkbox"/>

- D. **GIFTS OR HONORARIA:** List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.
- If you have nothing to report in Section "D", check here ☒.

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1.		
2.		
3.		

E. **RECEIPT OF COMPENSATION:** List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE ____.
If you have nothing to report in Section "E"1, check here ____.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	AMERICAN AIRLINES	DFW INTL AIRPORT TEXAS	AIRLINE
2.			

2. SPOUSE'S PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR.
If you have nothing to report in Section "E"2, check here ____.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	STATE BUDGET DIVISION	TOPEKA KANSAS	BUDGET DIRECTOR
2.			

F. **OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS:** List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section.
If you have nothing to report in Section "F", check here ☒.

	BUSINESS NAME AND ADDRESS	POSITION HELD	HELD BY WHOM
1.			
2.			
3.			
4.			
5.			

- G. **RECEIPT OF FEES AND COMMISSIONS:** List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses. In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here ☒.

	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

H. **DECLARATION:**

I, John B Timmer, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

12-19-93

Date

John B Timmer
Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES 6.

Return your completed statement to the Secretary of State, State House, Topeka, Kansas 66612.

7/16/94
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Mr. Thomas Corcoran D 04/30/97
7171 Fountaindale
Topeka 66614
State Banking Board
Public Member

Mr. Clarence Gideon (913) 262-0102 04/30/95
1500 Lakeside Drive
Topeka 66604
State Banking Board
Second District Banker

Mr. Marvin Max 04/30/95
9700 Lamar Avenue
Overland Park 66207
State Banking Board
Third District Banker

Mr. Douglas Morley (316) 488-2211 04/30/94
507 East 4th Street
Belle Plaine 67013
State Banking Board
Fourth District Banker

Ms. Candace Murphy D (316) 622-4224 04/30/96
HCR - Box 5
Protection 67127
State Banking Board
At Large (First District) Banker Appointee

Mr. Michael Sarras 04/30/94
1619 North 81 Street
Kansas City 66112
State Banking Board
Third District Banker

Mr. Ray Shepherd D (316) 223-0900 04/30/95
P. O. Box 112
Fort Scott 66701
State Banking Board
Public Member

Ms. Guylene Stoddard D 04/30/96
1221 Nelson
Liberal
State Banking Board
First District Banker

7/81 1/26/94
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REPORT DATE 01/11/94

BDMEMBER REPORT FOR BANK

PAGE 2

Mr. John Timmer
4500 Turnberry Drive
Lawrence 66047
State Banking Board
Public Member

D

04/30/96

7/18/1 1/26/94

1-9

Proposed Amendment to Senate Bill 504

Submitted January 26, 1994
by the Trust Division of the
Kansas Bankers Association

(c) The fact that such bank or trust company or an affiliate of the bank or trust company provides services to the investment company or investment trust such as that of an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise and is receiving reasonable remuneration for those services, shall not preclude such bank or trust company from investing or reinvesting in the securities of an open-end or closed-end management *investment company or* investment trust registered under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et.seq.) as amended.

With respect to any fiduciary account funds so invested, the bank or trust company or an affiliate of the bank or trust company shall conspicuously disclose by statement, prospectus, or otherwise to all current income beneficiaries of a fiduciary account the rate, formula, or other method by which the remuneration for those services, provided to the investment company or investment trust, is determined. The investment into such investment company or investment trust must be in the best interest of the beneficiary of the fiduciary account, must meet the prudent investor standard, as defined in K.S.A. 17-5004, and the total amount of all fees, charges, and compensation derived from the fiduciary account, and remuneration for services provided to the investment company or investment trust, by the bank or trust company or an affiliate of the bank or trust company shall be reasonable.

Senate 7141 1/26/94
Attachment #2

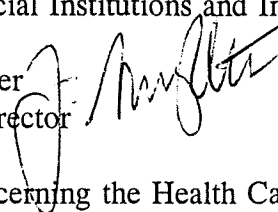


KANSAS MEDICAL SOCIETY

623 SW 10th Ave. • Topeka, Kansas 66612 • (913) 235-2383
WATS 800-332-0156 FAX 913-235-5114

January 26, 1994

TO: Senate Financial Institutions and Insurance Committee

FROM: Jerry Slaughter
Executive Director 

SUBJECT: SB 474; Concerning the Health Care Stabilization Fund

The Kansas Medical Society appreciates the opportunity to appear today in support of SB 474, which originated from the Health Care Stabilization Fund Oversight Committee. This bill would provide that all expenses associated with the HCSF Oversight Committee be paid for by the Health Care Stabilization Fund, instead of the state general fund as is currently the case.

We strongly support the continuation of the Oversight Committee, as it provides an essential forum for an ongoing discussion of issues in the professional liability area which affect the Fund and its operation. The Oversight Committee also provides a mechanism within which an independent actuarial analysis can be conducted on the financial status of the Fund on an annual basis. This actuarial analysis, coupled with that done by the Insurance Commissioner's office, has been extremely important and helpful in setting surcharge levels which all health care providers must pay.

We are mindful that there is a trend toward eliminating those committees which operate at taxpayers expense, and consolidating wherever possible. While we don't disagree with the objective, we believe the Oversight Committee provides an essential function that must be continued. In order that general fund revenues not be required to support the activities of the Committee, SB 474 will allow the Committee to continue its work, funded entirely by the Health Care Stabilization Fund. We support this concept.

In addition, we would like to offer for your consideration another amendment to the Health Care Provider Insurance Availability Act, at KSA 40-3401, which contains the definitions which are used throughout the act. A copy of our proposed amendment is attached to this testimony.

Senate 71+1
1/26/94
Attachment #3

Senate Financial Institutions and Insurance Committee
January 26, 1994
Page Two

The proposed amendment would add to the definition of "health care provider" certain limited liability companies organized for the purpose of rendering professional health care services. This amendment is necessary because of recent federal legislation, the Omnibus Budget Reconciliation Act of 1993 (OBRA), which made it necessary for certain professional corporations of physicians to form a limited liability company in order to continue providing laboratory services in a shared ownership clinic situation. The provisions of OBRA, and the problems it created, are not important to this issue, except to the extent that it has made this proposed amendment necessary. Basically, the amendment would require limited liability companies organized by physicians (or other health care providers) for the purpose of rendering professional services to be covered under the Health Care Provider Insurance Availability Act, and pay the necessary surcharge to the Fund for excess coverage. While the number of entities which would be affected is probably quite small, this change is necessary for those clinics which have had to alter their corporate structure to meet the requirements of the federal law mentioned above.

I would be happy to respond to any questions you have concerning the proposed amendment, or on SB 474 in general. We appreciate your consideration, and urge your support of the bill with the addition of the proposed amendment. Thank you.

JS/cb

Attachment

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3-2

Article 34.—HEALTH CARE PROVIDER INSURANCE

Cross References to Related Sections:

—Mutual insurance companies organized by associations of health care providers, see ch. 40, art. 12a.

Review and Bar Journal References:

Medical Malpractice Legislation: Kansas," Karen D. Wedel, 85, No. 12, J.K.M.S. 344 (1984).

"SB-646 Revisited," Homer H. Cowan, Jr., 85, No. 12, J.K.M.S. 333 (1984).

"Practical and Constitutional Challenges to the 1985 Kansas Medical Malpractice Legislation," Edward J. Guiducci and Keith L. Mark, 25 W.L.J. 304, 305 (1986).

"Caps, 'Crisis,' and Constitutionality Evaluating the 1986 Kansas Medical Malpractice Legislation," Elizabeth Schartz, 35 K.L.R. 763, 772 (1987).

"May the Health Care Stabilization Fund Settle a Claim over a Physician's Objection?" Wayne T. Stratton, 88, No. 6, Kan.Med. 201 (1987).

"New Law Allows Exempt License," Wayne T. Stratton, 88, No. 7, Kan.Med. 232 (1987).

"Malpractice '87: Status and Solutions," M. Martin Haley, M.D., J.D., 88, No. 9, Kan.Med. 261, 263, 264 (1987).

"The Medical Malpractice Insurance 'Crisis': Did Kansas Tort Reform Really Work?" Bryan W. Smith, 31 W.L.J. 106, 120, 121, 122 (1991).

"Testing the Constitutionality of Tort Reform with a Quid Pro Quo Analysis: Is Kansas' Judicial Approach an Adequate Substitute for a More Traditional Constitutional Requirement?" Jeffrey P. DeGraffenreid, 31 W.L.J. 314, 330, 337 (1992).

Attorney General's Opinions:

Kansas healing arts act; physician/employees of K.D.H.E.; exempt licensees; legal defense; tort claims act. 88-22.

40-3401. Definitions. As used in this act the following terms shall have the meanings respectively ascribed to them herein.

(a) "Applicant" means any health care provider.

(b) "Basic coverage" means a policy of professional liability insurance required to be maintained by each health care provider pursuant to the provisions of subsection (a) or (b) of K.S.A. 40-3402 and amendments thereto.

(c) "Commissioner" means the commissioner of insurance.

(d) "Fiscal year" means the year commencing on the effective date of this act and each year, commencing on the first day of that month, thereafter.

(e) "Fund" means the health care stabilization fund established pursuant to subsection (a) of K.S.A. 40-3403 and amendments thereto.

(f) "Health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts, a person

who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a person engaged in a postgraduate training program approved by the state board of healing arts, a medical care facility licensed by the department of health and environment, a health maintenance organization issued a certificate of authority by the commissioner of insurance, a podiatrist licensed by the state board of healing arts, an optometrist licensed by the board of examiners in optometry, a pharmacist licensed by the state board of pharmacy, a licensed professional nurse who is authorized to practice as a registered nurse anesthetist, a licensed professional nurse who has been granted a temporary authorization to practice nurse anesthesia under K.S.A. 65-1153 and amendments thereto, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a partnership of persons who are health care providers under this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection, a dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899 and amendments thereto, a physical therapist registered by the state board of healing arts, a psychiatric hospital licensed under K.S.A. 75-3307b and amendments thereto, or a mental health center or mental health clinic licensed by the secretary of social and rehabilitation services, except that health care provider does not include (1) any state institution for the mentally retarded, (2) any state psychiatric hospital, (3) any person holding an exempt license issued by the state board of healing arts or (4) any person holding a visiting clinical professor license from the state board of healing arts.

(g) "Inactive health care provider" means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, does not have basic coverage or self-insurance in effect solely because such person is no longer engaged in rendering professional service as a health care provider.

— a limited liability company organized pursuant to the limited liability company law of Kansas for the purpose of rendering professional services by its members, all of whom must be health care providers as defined by this subsection who are licensed or otherwise legally authorized to render the professional services for which the limited liability company is organized,

41-1 1/26/94
3-3