

Approved: February 7, 2011

Date

MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairman Clark Shultz at 3:35 p.m. on January 31, 2011, in Room 152-S of the Capitol.

All members were present except:

Representative Mosier - Excused

Representative O'Hara - Excused

Committee staff present:

David Wiese, Office of the Revisor of Statutes

Ken Wilke, Office of the Revisor of Statutes

Melissa Calderwood, Legislative Research Department

Cindy Lash, Kansas Legislative Research Department

Sue Fowler, Committee Assistant

Conferees appearing before the Committee:

Kevin Davis, Kansas Insurance Department

Others attending:

See attached list.

Introduction of Bills:

Kevin Davis, Kansas Insurance Department, (Attachment 1), respectfully requested the following bill introduction. Worker Compensation Insurance – relating to the rates and rate modification for certain workers compensation plans. Representative Hermanson moved for introduction. Seconded by Representative Grant. Motion passed.

Representative Gregory made a motion to introduce a Mandate-Lite Health Insurance Plan. Seconded by Representative Fawcett. Motion passed.

Representative Gregory made a motion to introduce a Full Payment for Health Care Service based on ID of health insurer. Seconded by Representative Brown. Motion passed.

Hearings on:

HB 2076 **Increasing the amount of time in which filings made to the commissioner of municipal pools must be reviewed**

David Wiese, Kansas Office of Revisor of Statutes, gave a brief overview on **HB 2076**.

Representative Shultz, opened the hearing on **HB 2076**.

Proponent:

Kevin Davis, Kansas Insurance Department, (Attachment 2), gave testimony before the committee in support of **HB 2076**.

Hearing closed on **HB 2076**.

HB 2077: **Increasing the amount of time worker's compensation pools have to file their end of year financial statements**

David Wiese, Kansas Office of Revisor of Statutes, gave a brief overview for **HB 2077**.

Representative Shultz opened the hearing on **HB 2077**.

Proponent:

Kevin Davis, Kansas Insurance Department, (Attachment 3), gave testimony before the committee in support of **HB 2077**.

Hearing closed on **HB 2077**.

CONTINUATION SHEET

Minutes of the House Insurance Committee at 3:35 p.m. on January 31, 2011, in Room 152-S of the Capitol.

Representative Grant moved without objection to pass the January 24, 2011 committee minutes as written.

Next meeting is scheduled for Wednesday, February 2, 2011, 3:30 P.M. in Room 152-S in Capitol.

Meeting adjourned at 3:55 p.m.

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Representing

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Cap Strategies

Hein Law Firm

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KSIA

KS Chamber



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

**Bill Introduction
To**

HOUSE COMMITTEE ON INSURANCE

January 31, 2011

Mr. Chair and Members of the Committee:

I am Kevin Davis with the Kansas Insurance Department. Thank you for the opportunity to request bill introductions. The Kansas Insurance Department respectfully requests the following bill:

Worker Compensation Insurance – relating to the rates and rate modification for certain workers compensation plans.

Thank you for your consideration of this request.

Kevin R. Davis
Director of Consumer Assistance and Government Affairs

House Insurance
Date: 1/31/11
Attachment # 1



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

TESTIMONY ON HB 2076

HOUSE COMMITTEE ON INSURANCE January 31, 2011

Mr. Chair and Members of the Committee:

I am Kevin Davis with the Kansas Insurance Department and with me today is Ken Abitz, Director of our Financial Surveillance Division.

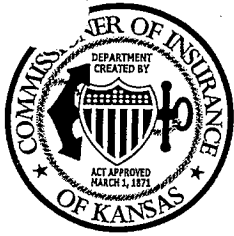
Thank you for the opportunity to testify in support of HB 2076. This bill makes two minor changes in the time requirements provided for in the municipal group-funded pools statutes. The first in K.S.A. 12-2618 would require an application for a certificate of authority to operate a municipal group-funded pool be made to the Commissioner of Insurance not less than 60 days prior to the proposed inception date of the pool instead of the current provision of 30 days. This proposed change is in line with the same requirement of group-funded workers compensation pools pursuant K.S.A. 44-582.

The second change is in K.S.A. 12-2620 which would also allow municipal group-funded pools to submit their certified independent audited financial statement no later than 150 days after the end of the pool's fiscal year end versus the current 90 days. We have had on average requests from at least 50% of the municipal group-funded pools over the past several years requesting to file the audited financial statements after the filing due date. In addition, the proposed new due date to file the audited financial statements is the same as that required of insurance companies.

In order to have consistency as appropriate among the entities the Kansas Insurance Department regulates, we have proposed these amendments. Thank you for the opportunity to appear in support of this bill. I would be happy to take any questions you may have at this time.

Kevin R. Davis
Director of Consumer Assistance and Government Affairs

House Insurance
Date: 1/31/11
Attachment # 2



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

TESTIMONY ON HB 2077

HOUSE COMMITTEE ON INSURANCE January 31, 2011

Mr. Chair and Members of the Committee:

I am Kevin Davis with the Kansas Insurance Department and with me today is Ken Abitz, Director of our Financial Surveillance Division.

Thank you for the opportunity to testify in support of HB 2077. This bill would amend K.S.A. 44-584 to allow for group-funded workers compensation pools to submit its certified independent audited financial statement no later than 150 days after the end of the pool's fiscal year end versus the current 90 days. We have had on average requests from at least 50% of the group-funded workers compensation pools over the past several years requesting to file the audited financial statements after the filing due date. In addition, the proposed new due date to file the audited financial statements is the same as that required of insurance companies.

In order to have consistency as appropriate among the entities the Kansas Insurance Department regulates, we have proposed these amendments. The Department makes every effort to allow financially viable entities of good character to operate in Kansas and this bill is a request for some additional latitude to continue doing that job.

Thank you for the opportunity to appear in support of this bill. I would be happy to take any questions at this time.

Kevin R. Davis
Director of Consumer Assistance and Government Affairs

House Insurance
Date: 1/31/11
Attachment # 3