

SESSION OF 2007

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR SENATE BILL NO. 208**

As Amended by House Committee on
Insurance and Financial Institutions

Brief*

Sub. for SB 208 would enact new law to establish the Criminal Anti-Fraud Division within the Kansas Insurance Department. Among the duties provided in the bill, this Division would be responsible for accepting information and complaints regarding insurance fraud, as well as investigating any possible violations of Kansas criminal statutes relating to insurance fraud. The Division also would be responsible for preparing criminal cases for prosecution by Special Assistant Attorneys General. Preparation for those cases would include affidavits, interviews, preservation of evidence, and securing the attendance of individuals involved in the case. The Division's members would be required to testify as to the facts of the case during the presentation of the prosecutor's case.

Enactment of the bill would make the Anti-Fraud Division eligible to apply for access to the Kansas Criminal Justice Information System (KCJIS).

Background

The Senate Committee on Financial Institutions and Insurance recommended the introduction of a substitute bill. The substitute bill would allow the Kansas Insurance Department's Anti-Fraud Division, as a criminal justice agency, to be eligible to apply for access to the Kansas Criminal Justice Information System (KCJIS). The substitute was presented to the Committee by the Kansas Insurance Department.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The House Committee amendment modifies the bill title to reflect the content of the substitute bill (as recommended by the Senate Committee).

The original bill was requested by the Insurance Commissioner whose representative indicated that access to criminal justice information is imperative to help an agency determine the criminal histories of suspects and witnesses. The Department representative indicated that a substitute bill would be offered to the Committee as the original bill would require the Department, as a whole, have at least 50 percent of its budget directed to law enforcement procedures, as is required to gain access to the Kansas Criminal Justice Information System. The proposed substitute was necessary, according to a Department representative, to satisfy the specifications of the Federal Bureau of Investigation.

The fiscal note prepared by the Division of the Budget on the original bill indicates that passage of the bill would have an implementation cost of \$500 from the Kansas Insurance Department's fee funds. The expenditures, the Department notes, are necessary to establish and maintain the security of the equipment used to access the criminal history and intelligence information, as well as the information itself. The Department states that the bill could be implemented within existing budget and staffing resources. Any fiscal effect associated with the passage of the bill is not reflected in *The FY 2008 Governor's Budget Report*.