

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
HOUSE SUBSTITUTE FOR SENATE BILL NO. 113**

As Recommended by House Committee on
Insurance and Financial Institutions

Brief*

House Sub. for SB 113 would amend the law governing interest on life insurance and annuity policies and also would amend the Kansas Health Care Prompt Payment Act. Specifically, the bill would allow that during a deferral period, any interest or dividends that accrue, in the absence of a surrender of the policy, would continue to accrue until the surrender value is paid. (Under current law, an insurance company is permitted to reserve the right to defer the payment of any cash surrender value for a six-month period after the surrender of the policy.)

The bill also would amend the Kansas Health Care Prompt Payment Act to create a limited time frame (within 18 months after the end of the month the incorrect payment was made) during which an insurer could request reimbursement from an insured individual or a provider for a claim paid in error. In cases of fraud by either the insured (policyholder) or the provider, the request for reimbursement may be initiated within the applicable statute of limitations under KSA 60-513.

Background

The House Committee on Insurance and Financial Institutions recommended the introduction of a substitute bill. The substitute deletes the contents of SB 113 and inserts the provisions of HB 2690 (as amended by the House Committee)

*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>

and HB 2699 (as amended by the House Committee). The original bill would have amended the continuing education requirements of certain licensed insurance agents.

The fiscal note prepared by the Division of the Budget on the provisions to be enacted in the substitute bill states that the Kansas Insurance Department indicates there will be no fiscal effect to the agency associated with the enactment of either provision.