

SESSION OF 2008

**SUPPLEMENTAL NOTE ON  
SUBSTITUTE FOR SENATE BILL NO. 209**

As Recommended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

Sub. for SB 209 would amend the law dealing with any individual or group policy form issued by an accident and sickness insurance carrier that is required to be filed with the Insurance Commissioner for approval. The bill would require the Commissioner to create a document detailing the filing requirements for each type of insurance policy. The document is required to include a list of all product filing requirements contained in Kansas statutes, regulations, and published bulletins and the appropriate citations to each. The document would be required to be available on the Department's website. Additionally, the bill would require the Commissioner to:

- Update the filing requirements document at least annually and within 30 days of any change in law or other published document. Filers are required to submit a copy of the document with a policy form filing and certify that the form meets the published requirements;
- Review and approve, provide notice of deficiencies of, or disapprove the initial filing for accident and health insurance policies and rates within 30 days. The act also would require the Commissioner to specify any reasons for notice of deficiencies or disapproval. The Commissioner's notice is required to state a hearing will be granted within 20 days after the receipt of a written request by the insurer.

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\*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 bill also would provide a specified time frame of 30 days for a company to respond to a notice of deficiencies or disapproval of the initial filing (current law allows for the same time period and hearing notice). If the Commissioner takes no action during that time frame, the form is considered approved. The Commissioner would not be permitted to, with the exception of a material error or omission in a policy form that has been approved or deemed approved, retroactively disapprove that filing or examine the filer during a routine or targeted market conduct examination for compliance with a later-enacted policy form filing requirement. The bill also would create requirements for disapproval of resubmitted policy forms and the return of a “grossly inadequate filing.”

Finally, the bill would provide that unless otherwise provided by statute, no rules or regulations issued by the Commissioner impacting product findings would be applicable to existing approved or deemed-approved policy forms except upon policy renewal or anniversary date.

## **Background**

The Senate Committee on Financial Institutions and Insurance recommended the introduction of a substitute bill. The substitute was presented to the Committee by a representative of America’s Health Insurance Plans.

The original bill was requested by America’s Health Insurance Plans whose representative indicated that the proposed bill incorporates National Association of Insurance Commissioners’ model language for accident and health insurance rate and form filings with one exception – Kansas law requiring the Insurance Department to act upon a filing with 30 days is maintained, while the model allows up to 60 days. A substitute bill was offered to insert the model language into existing Kansas law. A representative of the Kansas Insurance Department testified in support of the bill and noted that all provisions of the bill can easily be integrated into current rate and form approval procedure.

A Task Force convened during the 2007 Interim (The Kansas Insurance Department Fee Modernization and Rating Laws Task Force, created by 2007 SCR 1619) reviewed the bill and a proposed amendment and recommended the amended version be considered during the 2008 Session. The proposed amendment incorporated the new act into current law and changed the 30-day deemer (time period for consideration of filing before approval/disapproval) to a 60-day period. The substitute bill incorporates the proposed amendment, with the exception of the 60-day provision.

The fiscal note prepared by the Division of the Budget on the original bill (and applicable to the substitute bill) indicates that passage of the bill would have no fiscal effect on the operations of the Kansas Insurance Department as the Department already maintains a list of filing requirements for use by insurance companies.