

SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 464

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 464 would amend provisions in the Assumption Reinsurance Agreement Act to permit the Insurance Commissioner, at his or her discretion, to waive certain reinsurance requirements. Specifically, the Commissioner would be allowed to waive any requirement of the act when the transfer of obligation or risks, or both, results from the discontinuance of business by the transferring insurer.

The bill also would authorize the Insurance Commissioner to adopt rules and regulations as may be necessary to carry out the provisions of the Act.

Background

The bill was introduced at the request of the Kansas Insurance Department whose representative indicated that while the Assumption Reinsurance Agreement Act is an important tool to determine if a reinsurance transfer is appropriate for the business environment in Kansas and in the best interest of Kansas consumers, the requirements of the act can be extensive and time consuming. In some situations, the representative testified, the Department would consider the requirements to be unnecessary and significantly burdensome. There were no opponents to the bill at the time of the Committee hearing.

The fiscal note prepared by the Division of the Budget states that the Kansas Insurance Department indicates there

*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>

would be no fiscal effect associated with the enactment of the bill.