

Approved: _____
Date

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 17, 2008 in Room 136-N of the Capitol.

All members were present except Senator Wilson.

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Jill Shelley, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Assistant

Conferees appearing before the committee:

Rachel Smit, Kansas Health Institute
Bob Tomlinson, Kansas Insurance Department

Others attending:

See attached list.

The Chair welcomed everyone to the meeting.

The Chair asked Melissa Calderwood to introduce Jill Shelley. Jill is new to the Legislative Research Department. The Chair then introduced Kellen Brittingham, Session intern.

Rachel Smit, MPA, Kansas Health Institute, updated the Committee on the uninsured in Kansas. Ms. Smit said Health Insurance is important because it provides protection from the financial burden of costly illness or injury. She said Kansans with health insurance have better access to services and are healthier than uninsured Kansans. Ms. Smit noted that health insurance is an important determinant of health status and use of physician services and is an important determinant of use of preventive services. She stated that most Kansans rely on health insurance through an employer, but more than 40 percent do not. She continued that Medicaid and SCHIP are important sources of health insurance for Kansas children. Ms. Smit said health insurance coverage through a parent's employer has declined for Kansas children. Ms. Smit reported that almost half of the uninsured are young adults age 19-34. Ms. Smit concluded by stating that most uninsured Kansans are low-income, but a sizable share of the uninsured are middle-income or above. Ms. Smit said a large share of uninsured adults work full-time, year round.

Bill Introduction

Bob Tomlinson, Kansas Insurance Department introduced the following bills:

HIPAA - Update the effective date for federal Health Insurance Portability and Accountability Act (HIPAA) compliance (40-2258);

Advertising of Life Insurance and Annuities Act - a new law concerning life insurance and annuity advertisements that set minimum standards and guidelines for insurance producers, businesses and individuals; prescribing penalties for violations.

Long Term Care Partnership - This is legislation that implements the long-term care partnership and determines its parameters.

Long Term Care Partnership Licensing Requirements - This would require agents wishing to sell LTC Partnership products to obtain four continuing education credits in courses certified as LTC insurance training and two more credits of the same for each subsequent biennium. These provisions will be included with the increase in overall continuing education credits that was outlined in SB 113 during the 2006 legislative session.

Discretion for non-admission of companies - the Commissioner shall have authority, at any time, to require the applicant to fully disclose the identity of all stockholders, partners, officers, members and employees. The commissioner, in the exercise of the commissioner's discretion, may refuse to issue a license to an

CONTINUATION SHEET

MINUTES OF THE Senate Financial Institutions and Insurance Committee at 9:30 A.M. on January 17, 2008 in Room 136-N of the Capitol.

applicant if not satisfied that any officer, employee, stockholder, partner or member thereof who may materially influence the applicant's conduct: (1) has a good business reputation; or (2) is competent and trustworthy and intends to act in good faith (40-209).

Mr. Tomlinson also asked that a Resolution to reup the Uninsured Motorist Task Force be introduced so the issues will continue to be studied until such time as an informed, rational and reasonable choice can be made.

Senator Wysong moved introduction of all five bills as presented by Mr. Tomlinson, including the Resolution to reup the Uninsured Motorist Task Force. Senator Steineger seconded. Motion passed.

Senator Barnett moved introduction of a bill allowing employers to give employees money to buy insurance pre-tax if they don't offer insurance through the actual company. Senator Steineger seconded. Motion passed.

There being no further business, the meeting adjourned at 10:30 a.m.