

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 338

As Amended by House Committee on Insurance

Brief*

SB 338, as amended, would amend provisions pertaining to certain financial reporting requirements on group-funded liability and group-funded workers compensation pools and would also remove a notification requirement relating to termination or cancellation of a member in a group-funded workers compensation pool.

Under current law, group-funded liability and group-funded workers compensation pools must submit a certified, independent financial statement within 150 days after the end of the fiscal year whenever the Commissioner of Insurance deems it necessary to examine the affairs and financial condition of any pool. The bill would increase the time limit specified to 180 days.

The bill would also remove a requirement on group-funded workers compensation pools to provide notice to the Commissioner of a cancellation or termination of an individual member. Pool members would be required to maintain coverage for 30 days or until the canceled or terminating member has procured workers compensation and employer's liability coverage.

The bill would be in effect upon publication in the *Kansas Register*.

*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>

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Kansas Insurance Department (Department).

[*Note:* A companion bill, HB 2532, was introduced in the House.]

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, a representative of the Department provided **proponent** testimony, stating the Department submitted the bill after discussion with the pools regarding the difficulty in finding an auditor to complete the audit with the time frame specified in current law. The representative noted the notification requirement placed on group-funded workers compensation pools is no longer necessary.

No other testimony was provided.

House Committee on Insurance

In the House Committee hearing, a representative of the Department provided **proponent** testimony, stating the bill would help ensure the pools can remain in statutory compliance with reporting requirements.

No other testimony was provided.

The House Committee amended the bill's effective date from upon publication in the statute book to upon publication in the *Kansas Register*.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department states that enactment of the bill would not have a fiscal effect on agency operations.

Insurance; group-funded liability pools; group-funded workers' compensation pools; reporting