

## MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Elaine Bowers at 9:30 am on Tuesday, March 10, 2015, 546-S of the Capitol.

All members were present except:

Senator Jeff Longbine – Excused

Committee staff present:

Ellen Martinez, Kansas Legislative Committee Assistant

Melissa Calderwood-Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Clark Shultz, Director of Governmental Affairs of the Kansas Insurance Department

Others in attendance:

[See Attached List](#)

Vice-Chairman Bowers chaired the Committee in Senator Longbine's absence. Senator Bowers welcomed the senior government class from Olpe High School and their teacher, Mrs. McGuire.

### **Hearing on: HB2126 — Updating risk-based capital instructions effective date, expiration date for property and casualty actuarial opinion law and increasing the cap on consulting fees for certain insurance companies.**

Senator Bowers opened the hearing on **HB 2126**. Eileen Ma, staff revisor, gave a brief overview of the bill which will reinsert language that was mistakenly sunsetted.

Clark Shultz, Director of Governmental Affairs of the Kansas Insurance Department testified in favor of **HB2126**. This bill is made up of two different parts having proposed changes to two different statutes. The first will change the expiration date from July 1, 2013 to July 1, 2020. The second part proposed to amend the statute which concerns a standard regulatory tool referred to as risk-based capital ("RBC"). The goal of RBC laws is to ensure each Kansas domestic company has the minimum amount of capital needed to support its overall business operations in consideration of its size and risk profile. The amendment updates the RBC Instructions, which instruct companies how to calculate and report RBC, to the current version. The amendment merely replaces "2013" with "2014" in the definition for "RBC Instructions". ([Attachment 1](#))

There being no further testimony, Senator Bowers closed the hearing at 9:45 A.M.

### **Hearing on: HB2142 — Amending the definitions of fraudulent insurance act and external review organization.**

Senator Bowers opened the hearing on **HB 2142**. Eileen Ma, staff revisor, gave a brief overview of the bill.

## CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions and Insurance at 9:30 am on Tuesday, March 10, 2015, 546-S of the Capitol.

Clark Shultz, Director of Governmental Affairs, Kansas Insurance Department, testified in support of the bill which deals with the Fraudulent Insurance Act and with the external review process regarding health insurance.

Th bill makes several technical changes updating the definition of "written" to "...written, electronic, electronic impulse, facsimile, magnetic, oral telephonic communication..." to match the Medicaid Fraud Statute.

The bill also makes changes regarding the external review law requiring external review organizations that are used by the Kansas Department of Insurance does not require organizations to be nationally accredited, Health and Human Services will take over all external review for Kansas residents.

The organization that is used in Kansas is working towards becoming nationally accredited and it is anticipated that this will be completed prior to the expiration of the waiver. ([Attachment 2](#))

There being no further testimony, the hearing was closed at 9:45 A.M.

The Committee meeting was adjourned at 9:50 A.M.