

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Rep. Rex B. Hoy at
Chairperson

3:30 XX a.m./p.m. on February 3, 1986 in room 521-S of the Capitol.

All members were present except:

Committee staff present:

- Melinda Hanson, Research Department
- Gordon Self, Revisor of Statutes Office
- Deanna Willard, Committee Secretary

Conferees appearing before the committee:

- Dick Brock, Kansas Insurance Department

Chairman Hoy called the meeting to order.

HB 2798 - An act relating to agents' licenses; exams; fees and penalties

Mr. Dick Brock, Insurance Department, discussed the changes that this bill would effect. 1) It would change the stated amount charged for the agent's exam from \$10.00 to a "reasonable fee . . . adopted by the commissioner." The Insurance Department is considering a type of electronic testing, possibly linking up with a multi-state system. The \$10.00 fee would not cover the cost of the exam if this system is adopted.

2) It would limit the number of retakes allowed to two in a 12-month period.

3) It would provide that the certification fee not be refunded, as it costs more to refund the amount than the amount itself. The certification fee does not have to be paid until the agent is actually qualified, as opposed to the examination fee which is paid prior to the exam.

The next conferee was Mr. Lee Wright, representing Farmers' Insurance Group. He spoke in opposition to the bill, specifically to the limit being placed on retakes, as he felt it would make the exam too restrictive.

HB 2740 - An act concerning the conversion of a non-profit medical and hospital service corporation to a mutual life insurance company.

There was discussion on the bill and input from Mr. Dick Brock, Insurance Department. The Insurance Department does not have authority over rates but over forms used for mutual group health policies. There was concern

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Insurance,
room 521-S, Statehouse, at 3:30 XX a.m./p.m. on February 3, 1986

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expressed over the impact on the general fund if Blue Cross Blue Shield were to change to a mutual life insurance company. The effect on state taxes and the privilege tax were discussed. Rep. Blumenthal moved that the bill be tabled until February 10, 1986, to allow time to gather more information on the pending federal legislation that has triggered the request for this bill. It would also provide opportunity to have an amendment drafted providing for rate review by the Insurance Department. Rep. Graeber seconded the motion. The motion carried. Final action on HB 2740 will be on Monday, February 10, 1986.

Chairman Hoy requested permission to introduce a Committee bill requiring that an organization advocating mandated coverages on a health insurance policy would submit a report assessing the social and financial impacts of such coverage. Rep. Lowther moved that the bill be introduced. Rep. King seconded the motion. The motion carried.

The minutes of the two previous meetings were approved.

The meeting was adjourned at 4:10 p.m. by the Chairman.

