

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 5, 1986 in room 521-S of the Capitol.

All members were present except:

Committee staff present:

Melinda Hanson, Research Department
Gordon Self, Revisor's Office
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Mr. Ron Todd, Kansas Insurance Department
Mr. Larry Magill, Independent Insurance Agents of Kansas

HB 2797 - An act relating to prohibition on refunds of taxes and fees paid by insurance companies.

Mr. Ron Todd, Insurance Department, testified for this bill, which is a Department request. It is in response to the legal uncertainty of retaining a premium tax differential between foreign and domestic insurance companies. This is safeguard legislation; in the event such differential were declared unconstitutional on a retroactive basis, this bill would prohibit the refund of taxes and fees paid.

The next conferee was Larry Magill, requesting permission to introduce a Committee bill on behalf of the Independent Insurance Agents of Kansas. The bill would provide that an insurance agent have the right to offset unearned premiums for their insureds on payment of the agent's account to an insolvent insurer. (Attachment 1.)

The minutes of the previous meeting were approved.

The meeting was adjourned at 3:50 p.m. by the Chairman.

Attachment 1
2-5-86

Be it enacted by the Legislature of the State of Kansas:

New Section 1.

A Kansas insurance agent shall have the right to offset unearned premiums for their insureds on payment of the agent's account to an insolvent insurer as defined in K.S.A. 40-2903.

New Section 2.

The provisions of the insurance agent's contract with the insolvent insurer shall continue to apply for the duration of all policies in effect and until all accounts are settled with the insolvent insurer.

This act shall take effect and be in force from and after its publication in the Kansas Register.

Attachment 1
2/5/86