

Approved March 17, 1987  
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

The meeting was called to order by Sen. Neil H. Arasmith at  
Chairperson

9:00 a.m./~~p.m.~~ on March 5, 1987 in room 529-S of the Capitol.

All members were present except:

Committee staff present:

Bill Wolff, Legislative Research  
Bill Edds, Revisor of Statutes

Conferees appearing before the committee:

Ron Todd, Kansas Insurance Department

The minutes of March 4 were approved.

The hearing on SB 322 and SB 323, both relating to the committee on surety bonds and insurance, began with staff reviewing the amendments. It was explained that the bills do nothing other than make technical amendments. 75-4109 and 75-4101 were amended last year by two separate bills. The normal procedure would be to run a new bill which dovetailed them into the same section, but this was not done. These bills bring these two amendments into the same section. The only change in SB 322 is in lines 29 and 30 which deals with aircraft insurance for KTI. Mr. Todd of the Insurance Department had informed the Revisor that another amendment is needed on line 30 where 76-748 needs to be changed to 76-394 as this section has been recodified. As to SB 323, the change occurs on line 38 which references 76-749. The stricken type on line 41 is getting rid of an old effective provision that no longer needs to be there. Staff concluded that the effect of the two bills is that it merges two statutes into a new clean statute.

Ron Todd, Kansas Insurance Department, testified briefly regarding the insurance involved in these two bills. Short committee discussion regarding the insurance followed.

Sen. Kerr made a motion to amend SB 322 on lines 29 and 30 as suggested, Sen. Warren seconded, and the motion carried.

Sen. Gannon made a motion to recommend SB 322 favorable for passage as amended, Sen. Warren seconded, and the motion carried.

Sen. Werts made a motion to recommend SB 323 favorable for passage and to put it on the Consent Calendar, Sen. Karr seconded, and the motion carried.

Attention was turned to SB 232 regarding property insurance adjusters, which had been previously heard. Sen. Gannon asked Mr. Todd his opinion in regard to testimony stating that there is widespread collusion among contractors. Mr. Todd answered that the Insurance Department has had reports of some problems with this, but it is difficult to prove bid fixing. Sen. Mulich has said that it is more widespread than the Insurance Department has been able to discover. With reference to the suggested amendment by Sen. Mulich for a requirement of three estimates, Mr. Todd said that anytime you require anything as a general rule, it does run up administrative costs. The chairman clarified the amendments offered for Mr. Todd. Sen. Gannon said he could not see how administration of estimates would increase costs. The chairman said it takes more time for the adjuster to compare them. Mr. Todd said that the \$5,000 amendment would do away with a lot of the estimates because many are for lower amounts than this such as in the case of hail claims.

Sen. Strick made a motion to adopt the amendments offered by Sen. Mulich, Sen. Warren seconded, and the motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
room 529-S, Statehouse, at 9:00 ~~a.m.~~ <sup>p.m.</sup> on March 5, 1987.

Sen. Gordon recalled testimony that suggested "itemized" be added to the bill. After short committee discussion of this, Sen. Burke made a motion to include "itemized" in the appropriate places, Sen. Gordon seconded, and the motion carried.

Sen. Strick made a motion to report SB 232 favorable for passage as amended, Sen. Warren seconded, and the motion carried.

The meeting was adjourned.

SENATE COMMITTEE

ON

FINANCIAL INSTITUTIONS AND INSURANCE

OBSERVERS  
(Please print)

DATE                      NAME                                      ADDRESS                                      REPRESENTING

3-5                      Ron Todd                                      Tepeka                                      Ins. Dept