

Approved

January 31, 1990  
Date

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Dale Sprague at  
Chairperson

3:30 ~~xx~~m./p.m. on January 24, 89 in room 531-n of the Capitol.

All members were present except:

Representative Delbert Gross, excused

Committee staff present: Chris Courtwright, Research Department  
Bill Edds, Revisor of Statutes  
Patti Kruggel, Committee Secretary

Conferees appearing before the committee:

see attached list

The Chairman called the meeting to order at 3:40 p.m.

Jim Oliver, Professional Insurance Agents of Kansas, asked that the Committee request a bill which would amend HB 2653 concerning examination requirements for professional designation courses. (Attachment 1.)

Representative Brown made a motion to introduce the bill. Representative Turnbaugh seconded. The motion carried.

Next the Committee heard from Bud Cornish, Kansas Life Insurance Association, requesting a bill (Attachment 2), concerning acceleration of life insurance benefits. The bill would authorize policy holders to use life insurance death benefits for living purposes.

A motion was made by Representative Bryant, seconded by Representative Littlejohn to introduce the bill. The motion carried.

There were no other bill request, and the Chairman opened hearings on HB 2655 and HB 2653.

HB 2655 -- An act relating to firefighters re; associations; concerning calculation of tax distributions to be made thereto; amending K.S.A. 1989 Supp. 40-1706 and repealing the existing section.

Chris Courtwright, Legislative Research Department, gave an overview of the bill. HB 2655 was a request of the Insurance Department which suggests a change in the law which would nullify the effect of statewide reappraisal on distribution of firefighters relief taxes.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Insurance,

room 531-N, Statehouse, at 3:30 ~~xx~~m./p.m. on January 24, 89.

Dick Brock, Insurance Department, provided testimony (Attachment 3) supporting HB 2655 stating that because of statewide reappraisal, the method by which firefighters relief taxes are apportioned to individual firefighters relief associations will result in significant changes in what some associations receive in relation to others.

Jim Todd, Kansas Firefighters Association and Jerry Marlatt, Kansas State Council of Firefighters also appeared in support of HB 2655.

There were no others wishing to testify, and hearings on HB 2655 were closed.

The Committee began discussion on HB 2653.

HB 2653 -- An act relating to insurance; concerning continuing education requirements for agents.

A brief overview of HB 2653 was given by Chris Courtwright, Research Department. Mr. Courtwright explained that this bill was a request of the Insurance Department which provides that agents can accumulate no more than 9 or the 12 hours required of an agent licensed for one class of insurance or 18 hours of the 24 hour requirement for multiple line agents from courses sponsored by any insurance company. It would also place 3 hour and 6 hour limitations on the credit that could be given for independent study courses.

Dick Brock, Insurance Department, provided testimony (Attachment 4) in support of HB 2653 which would codify an existing administrative regulations and enhance the effectiveness of the continuing education requirements applicable to insurance agents by limiting the amount of continuing education credit agents can receive from a single, self-interested source.

Larry Magill, Independent Insurance Agents, testified in support of HB 2653 expressing that this bill would broaden the limitations and allow them to get an education. (Attachment 5.)

Ron Smith, Kansas Bar Association, provided testimony (Attachment 7) asking that a section be added to the bill relating to conditions of licensures of attorneys.

There were no others wishing to testify in support of HB 2653.

Bill Sneed, American Investors Insurance Company, provided testimony (Attachment 6) in opposition of HB 2653.

There were no others wishing to testify on HB 2653 and the hearings were concluded.

The meeting was adjourned at 5:00 p.m.





Proposed Amendment to HB2653 Re: Continuing  
Education Requirements for Insurance Agents.

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**PROFESSIONAL  
INSURANCE  
AGENTS**

My name is Jim Oliver, Legislative Representative for the Professional Insurance Agents of Kansas.

The Professional Insurance Agents of Kansas, have a concern about the examination requirements for professional designation courses. Present rules and regulations promulgated by the Kansas Insurance Department require that an examination be taken and passed in order to received the maximum credit of 12 CECs for these courses, even though the hours of instruction are considerably more than 12 hours. 30 hours for CPCU, 20 hours for CIC, 50 hours for CLU, etc.

Many agents do not want to pursue a professional designation but attend these courses for their educational value, but failure to take the examination results in a 50% penalty in CECs awarded. Most other courses are awarded on the basis of the number of classroom hours attended.

The only change we propose is on Page 5, subsection 8 which would require "The CEC value assigned to any course shall be based solely on time spent in attendance and in no way be contingent upon passage or successful completion of any examination given in connection with such course, program of study, or subject."

The Professional Insurance Agents of Kansas would appreciate your favorable consideration of this amendment.

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DOROTHY M. TAYLOR  
EXECUTIVE DIRECTOR

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627 TOPEKA AVE.  
TOPEKA, KS 66603-3296  
913/233-4286

## Proposed Amendment to HB 2653

On page 1, after line 27, by inserting two new sections to read as follows:

"Sec. 3. K.S.A. 1989 Supp. 40-240f is hereby amended to read as follows: 40-240f. (a) For purposes of this section:

(1) "Biennial due date" means March 31, 1991, and March 31 of each odd-numbered year thereafter.

(2) "Approved subject" or "approved course" means any educational presentation involving insurance fundamentals, insurance law, insurance policies and coverage, insurance needs, insurance risk management, or other areas, which is offered in a class, seminar or other similar form of instruction, and which has been approved by the commissioner under this section as expanding skills and knowledge obtained prior to initial licensure or developing new and relevant skills and knowledge.

(3) "C.E.C." means continuing education credit. One C.E.C. is 50 to 60 minutes of each clock hour of instruction or the C.E.C. value assigned by the commissioner. The C.E.C. values shall be assigned in whole units. The commissioner shall assign a C.E.C. value to each approved subject on a case-by-case basis.

(4) "Biennium" means the period beginning on the effective date of this section and ending on March 31, 1991, and each two-year period thereafter.

(5) "Inactive agent" means a licensed agent who presents evidence satisfactory to the commissioner which demonstrates that such agent will not do any act toward transacting the business of insurance for not less than two but not more than six years from the date such evidence is received by the commissioner. Such additional periods may be granted by the commissioner upon further presentation of evidence satisfactory to the commissioner.

(b) (1) Every licensed agent who is an individual and holds

a property or casualty qualification, or both, shall biennially obtain a minimum of twelve C.E.C.'s in courses certified as property and casualty.

(2) Every licensed agent who is an individual and holds a life, accident and health, or variable contracts qualification, or any combination thereof, shall biennially complete twelve C.E.C.'s in courses certified as life, accident and health, or variable contracts.

(3) Every licensed agent who is an individual and holds a crop only qualification shall biennially obtain a minimum of two C.E.C.'s in courses certified as crop under the property and casualty category.

(4) Every licensed agent who is an individual and is licensed only for title insurance shall biennially obtain a minimum of four C.E.C.'s in courses certified by the board of abstract examiners as title under the property and casualty category.

(5) Every licensed agent who is an individual and holds a life insurance license solely for the purpose of selling life insurance or annuity products used to fund a pre-arranged funeral program and whose report of compliance required by subsection (f) of this section is accompanied by a certification from an officer of each insurance company represented that the agent transacted no other insurance business during the period covered by the report shall biennially obtain a minimum of two C.E.C.'s in courses certified as life or variable contracts under the life, accident and health, or variable contracts category.

(c) Individual agents who hold licenses with both a property or casualty qualification, or both, and a life, accident and health, or variable contracts qualification, or any combination thereof, and who earn C.E.C.'s from courses certified by the commissioner as qualifying for credit in any class, may apply those C.E.C.'s toward either the property or casualty continuing education requirement or to the life, accident and health, or variable contracts continuing education requirement. However, a

C.E.C. shall not be applied to satisfy both the biennial property or casualty requirement, or both, and the biennial requirement for life, accident and health, or variable contracts, or any combination thereof.

(d) An instructor of an approved subject shall be entitled to the same credit as a student completing the study.

★ (e) If an individual agent completes more than the biennial requirement of accredited continuing education courses in a biennium by passing an examination part leading to a recognized professional designation, the agent may accumulate and carry-over to the next biennium up to the equivalent of the biennial requirement for the type of license qualification held.

(f) (1) An individual agent who has been licensed for more than one year shall, on or before the biennial due date, file a report with the commissioner that such agent has met the continuing education requirements for the previous biennium ending on such biennial due date. Every individual agent shall maintain a record of all courses attended together with a certificate of attendance for three years after the date of attendance.

(2) A newly licensed individual agent shall have the remainder of the biennium in which such agent is initially licensed plus the next biennium to comply with the C.E.C. requirements.

(3) If the required report showing proof of continuing education completion is not furnished by the biennial due date, the individual agent's qualification and corresponding license or licenses shall not be renewed by the commissioner.

(4) An applicant for an individual agent's license who previously held a license which terminated on or after May 1, 1989, because of failure to meet continuing education requirements and who seeks to be relicensed shall pass the examination required for issuance of the new qualification and license and provide evidence that appropriate C.E.C.'s have been completed for the prior biennium.

(5) An applicant for an individual agent's license who previously held a license which was terminated on or before April 30, 1989, for failure to meet the minimum educational requirements contained in K.S.A. 40-240b as it existed prior to the passage of this act and who seeks to be relicensed shall pass the examination required for issuance of the new license.

(6) Upon written application by an individual agent, the commissioner may, in cases involving medical hardship or military service, extend the time within which to fulfill the minimum continuing educational requirements for a period of not to exceed 180 days.

(7) This section shall not apply to inactive agents as herein defined during the period of such inactivity. Upon return to active status or expiration of the maximum inactive period, the agent shall have the remainder of the current calendar year plus the next calendar year to comply with the continuing education requirement.

(g) (1) A course, program of study, or subject shall be submitted to and certified by the commissioner in order to qualify for purposes of continuing education.

(2) The following information shall be furnished with each request for certification:

- (A) Name of provider or sponsoring organization;
- (B) course title;
- (C) date course will be offered;
- (D) location where course will be offered;
- (E) outline of the course including a schedule of times when subjects will be presented;
- (F) names and qualifications of instructors;
- (G) number of C.E.C.'s requested; and
- (H) a nonrefundable fee in the amount of \$50 per course or a nonrefundable fee in the amount of \$250 per year for all courses.

(3) Upon receipt of such information, the commissioner shall grant or deny certification as an approved subject and indicate



the number of C.E.C.'s that will be recognized for the subject. Each approved subject or course shall be assigned by the commissioner to one or both of the following classes:

(A) Property and casualty insurance contracts or

(B) life insurance contracts (including annuity and variable contracts) and accident and health insurance contracts.

(4) A course or subject shall have a value of at least one C.E.C.

(5) A provider seeking approval of a course for continuing education credit shall provide for the issuance of a certificate of attendance to each person who attends a course offered by it. The certificate shall be signed by either the course instructor or the provider's authorized representative. Providers shall also maintain a list of all persons who attend courses offered by them for continuing education credit for at least seven years from the date the courses are offered.

(6) A course may be approved after a program of study has been held if the required material is furnished within 60 days after the program was completed and prior to the biennial due date.

(7) The commissioner may grant approval to specific programs of study that have appropriate merit, such as programs with broad national or regional recognition, notwithstanding the lack of a request for certification. The fee prescribed by subsection (g)(2)(H) of this section shall not apply to approvals granted hereunder.

★ (8) The C.E.C. value assigned to any course, program of study or subject, other than a correspondence course or other course pursued by independent study, shall be based solely on time spent in attendance and shall in no way be contingent upon passage or satisfactory completion of any examination given in connection with such course, program of study or subject.

(h) The commissioner shall provide, upon request, a list of all approved continuing education courses currently available to the public.

(i) An individual agent who studies independently for an insurance examination, other than an agent's examination, approved by the commissioner, and who passes an independently monitored examination, shall receive credit for the C.E.C.'s assigned by the commissioner as recognition for the approved subject. No other credit shall be given for independent study.

(j) The commissioner may waive the continuing education requirements imposed by this act for nonresident agents who have complied with continuing education requirements imposed by their state of domicile.

~~{k}--This--section--shall--take--effect--and--be--in--force--from--and--after--May--17--1989--~~

Sec. 4. K.S.A. 1989 Supp. 40-240f is hereby repealed.";

Also on page 1, in line 28, by striking "3" and inserting "5";

In the title, in line 10, before the period by inserting "; amending K.S.A. 1989 Supp. 40-240f and repealing the existing section";

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COLORADO SPRINGS, CO 80903  
719 475-1204

January 24, 1990

Representative Dale Sprague  
Chairman  
House Insurance Committee  
Statehouse  
Topeka, KS 66612

RE: Bill Concerning Acceleration  
of Life Insurance Benefits

Dear Dale:

This will confirm our recent conference concerning the request of the Kansas Life Insurance Association for the introduction of a bill which would permit the acceleration of life insurance and annuity benefits in advance of the time they would otherwise be payable.

This bill would authorize policyholders to use life insurance death benefits for living purposes and is intended to address one of the serious problems confronting Older Americans. This problem concerns Long-Term Care expense, and the costs of life threatening serious illnesses which require extraordinary medical intervention. The bill would permit the policyholder to draw down on some of his benefits prior to death in order to meet these expenses.

We attach a copy of the suggested bill which will amend KSA 40-401.

The Association will provide conferees in support of this bill at the time of hearing. It is our understanding that this concept is approved in approximately 35 states and has the support of the American Council of life Insurance.

Cordially yours,

  
L. M. CORNISH

LMC:sh  
cc: Committee Members

K.S.A. 40-401 is hereby amended to read as follows: 40-401. Any 10 or more persons, a majority of whom are citizens of this state, may associate in accordance with the provisions of this code and form an incorporated company, upon either the stock or mutual plan, to make insurance upon the lives of persons and every insurance appertaining thereto or connected therewith and to grant, purchase or dispose of annuities. Such companies may incorporate in their policies provisions for the waiver of premiums or for the granting of an annuity to the insured, or for special surrender values or other benefits in the event that the insured shall from any cause become totally and permanently disabled, or for acceleration of life or annuity benefits in advance of the time they would otherwise be payable subject to such reserve and other regulatory standards as the commissioner may prescribe by administrative rules and regulations, and any such company may provide for the payment of a larger sum if death is caused by accident than if it results from any other causes. For the purposes of this section, "totally and permanently disabled" means disabled continuously for a period, such period to be specified in any such provision, of not less than 60 days nor more than one year, except this provision does not apply to and specifically excludes group life insurance. Such company may make insurance on the health of individuals, against accidental personal injury, disablement or death and against loss, liability or expense on account thereof. Such company so transacting such health and accident insurance business, or either kind, shall maintain statutory and separate reserves for such business, shall issue such contracts only in separate policies except as otherwise permitted herein and shall make separate reports to the commissioner of insurance of the premiums received and expenses and losses incurred in connection with such business, except that such reports will not be required for accelerated benefits incorporated in a life or annuity policy. Long-term care insurance meeting the applicable requirements of K.S.A. 1988 Supp. 40-2227 and 40-2228 and amendments thereto may be incorporated in life insurance policies if approved by the commissioner.

The business of life insurance in this state shall not be in any way conducted or transacted by any company which in this state makes insurance on marine, fire, inland or any other like risks, except that, life, health and accident insurance on the group or industrial plan may be combined in one policy, which shall show the premium charged for life insurance and the premium charged for health and accident insurance, and the insured, at the insured's option, may discontinue either and by payment of the stated premium continue the other. The amount of capital stock of a company organized on the stock plan shall be not less than \$600,000.

Companies organized on the mutual plan shall be required to have applications from at least 200 persons for insurance upon their lives, aggregating not less than \$400,000, upon which one full annual premium is cash shall have been paid. No such company shall transact any business of insurance until, if a stock company, all the capital stock named in its charter has been paid in cash including any contributions to surplus to be made by the original purchasers of such stock. The surplus shall be at least \$600,000, and at least \$400,000, in securities authorized by this code shall have been deposited with the state treasurer and commissioner of insurance as joint custodians, and if a mutual company, a guaranty fund of at least \$1,200,000, and at least \$400,000 of which shall be in securities as authorized in this code and deposited with the state treasurer and commissioner of insurance as joint custodians. The guaranty fund may be returned to the contributors with interest at 6% per annum whenever the surplus shall equal the amount of such guaranty fund and interest, and no

company shall transact any business of insurance unless it shall maintain the capital or surplus or both required of a company commencing to transact business, or, if a mutual company, the required number and amount of applications for insurance have been received and the annual premiums collected in cash. The securities deposited pursuant to this section shall be held by the state treasurer and commissioner of insurance as joint custodians in trust for the benefit and protection of the policyholders or creditors, or both, of the company depositing the same and may be withdrawn only upon order of the commissioner of insurance.

Until May 1, 1989, life insurers, which phrase shall include a fraternal benefit society which has filed with the commissioner of insurance a plan for conversion to a stock or mutual life insurance company under the terms of K.S.A. 40-726 to 40-733, inclusive, and amendments thereto, and which plan has been approved by the commissioner, which were authorized to do business in Kansas after January 1, 1969, but before January 1, 1984, shall be required to have a paid-up capital stock, surplus and deposit equal to that which was required by this section prior to the passage of this act. After May 1, 1989, such companies shall comply with the paid-up capital stock, surplus, and deposit requirements provided by this act.

Until May 1, 1989, companies doing business in this state on January 1, 1969, shall be required to have a paid-up capital stock, surplus and deposit equal to that required of such companies prior to the passage of this act. On and after May 1, 1989, companies doing business in this state on January 1, 1969, shall be required to have a paid-up capital stock, surplus and deposit equal to that required of all other companies to whom this section applies immediately prior to the passage of this act.

On and after May 1, 1994, companies doing business in this state on January 1, 1969, shall comply with the paid-up capital, surplus and deposit requirements provided by this act.

Kansas Insurance Department  
Testimony Before the  
House Insurance Committee  
on House Bill No. 2655  
Presented by Dick Brock

In 1984 the legislature substantially revised the method by which firefighters relief taxes are apportioned to individual firefighters relief associations. The firefighters relief tax is a tax paid on fire insurance premiums which is collected by the Commissioner of Insurance for distribution to qualified firefighters relief associations in accordance with a formula prescribed by statute. The funds paid to such associations are for the relief and benefit of firefighters and their dependents when a firefighter is injured, disabled or killed in the discharge of their duties as a firefighter.

Prior to 1984 and the establishment of the statutory formula, insurance policies providing fire and lightning coverage were coded by the insurers so that the tax on the fire premiums could be specifically and directly assigned to the firefighters relief association where the covered property was located. This was an effective method of distribution but it was very expensive to administer and the rapid growth in urban areas was creating an increasing number of erroneous codings which was adding to the difficulties. Consequently, the 1984 legislative action was designed to modernize the method by which firefighters relief taxes were distributed and by doing so, make it more efficient without adversely affecting and in fact improving the end result.

There were a number of changes incorporated in the 1984 legislation but the one relevant to House Bill No. 2655 consisted of abrogating the old system of individual policy coding and replacing it with a system that uses population and assessed property valuation to measure the relative difference in fire protection responsibilities between fire districts

and, in turn, firefighters relief associations. This new system is working well and has seemingly produced equitable distributions of the subject tax. However, statewide reappraisal presents a real problem because, if nothing is done, it will almost certainly result in significant changes in what some associations receive in relation to others even though the new assessed valuations do not change the number or size of the property protected by the fire district. As a result, House Bill No. 2655 suggests a change in the law which would nullify the effect of statewide reappraisal on the distribution of firefighters relief taxes.

Kansas Insurance Department  
Testimony Before the  
House Insurance Committee  
on House Bill No. 2653  
Presented by Dick Brock

House Bill No. 2653 would codify an existing administrative regulation the authority for which has been questioned by the Joint Committee on Administrative Rules and Regulations.

The intent of the current regulation and this legislative proposal is to enhance the effectiveness of the continuing education requirements applicable to insurance agents by limiting the amount of continuing education credit agents can receive from a single, self-interested source. Conversely, these limitations will result in agents being exposed to at least two sources of continuing education programs which, in turn, will result in the completion of a more diverse continuing education experience.

Specifically, the bill provides that agents can accumulate no more than 9 of the 12 hours required of an agent licensed for one class of insurance or 18 hours of the 24 hour requirement for multiple line agents from courses sponsored by any insurance company. Similarly, the bill would place 3 hour and 6 hour limitations on the credit that could be given for independent study courses e.g. correspondence courses.

Because of the minimal continuing education requirements that apply to pre-need funeral plans, crop insurance and title insurance, these limitations would not apply. Also, since current law permits the commissioner to unilaterally approve specific courses that lead to a nationally recognized designation or are otherwise deemed to be meritorious, the limitations suggested by this proposal are not applicable to these programs.



Testimony on HB 2653  
Before the House Insurance Committee  
By: Larry W. Magill, Jr., Executive Vice President  
Independent Insurance Agents of Kansas  
January 24, 1990

Mr. Chairman and members of the committee, we appreciate the opportunity to appear today in support of HB 2653 requested by the Kansas Insurance Department.

This bill would place into the statute a current regulation which we supported when the Insurance Department adopted it.

We feel that for continuing education to be meaningful for insurance agents, the Insurance Department must maintain tight quality controls on the continuing education courses they approve. For that reason, we encouraged the Insurance Department to place a limitation on the number of hours a person could use of insurance company sponsored courses. Under the proposal, that would be nine of the present twelve-hour biannual requirement. Our experience has been that insurance company courses tend to be sales oriented, tend to be single company product oriented, and tend to not reach the level of quality that a course charging a fee must reach to attract registrants. Obviously, these generalizations would not be true in the case of every company-sponsored course. But the Department must deal with those insurance companies that would undermine the goal of Kansas' continuing education law by providing courses that simply grant hours of credit without teaching agents what they need to be more effective advisers to consumers.

Secondly, we support the limitation of three hours on continuing education credit for independent study courses. In this case, Kansas has had substantial experience with correspondence courses under the old life

and health minimum education law. That law originally required an agent to complete two correspondence courses to meet a one-time minimum education requirement during the first five years of their licensure.

As a result, we saw course providers competing to come up with the shortest courses possible to meet the two-course requirement. We saw vendors who charged registration fees for students to come in, be given answers to courses so the students could simply write the answers in their workbook, turn them in and get credit.

For a correspondence course to have any validity, there must be an independently monitored exam and the integrity of the exam must be maintained by the seller of the course.

We realize that seminar courses have their drawbacks. That students can't be forced to learn and that anyone with the will can find a way to undermine the continuing education law. But for these very reasons, we feel that HB 2653 is needed to maintain the validity of Kansas' continuing education act for insurance agents.

We urge the committee to act favorably on HB 2653. If you have any questions or would like any additional information, we would be happy to respond.

M E M O R A N D U M

TO : Dale Sprague  
House Insurance Committee

FROM : William W. Sneed  
State Farm Insurance Company

DATE : January 23, 1990

RE : H.B. 2653

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On behalf of State Farm Insurance, please accept this memorandum regarding H.B. 2653 and my client's concern relative to this bill. The goal of continuing education is to increase and/or update an individual's working knowledge on a particular subject. The same is true with the requirement of continuing education for insurance agents as found in K.S.A. 40-240f. This statute not only details the requirements an agent must fulfill, but also states that the courses must be approved by the proper regulatory body, the Kansas Insurance Department.

We are unaware of anything that demonstrates that company-sponsored educational courses, only by virtue of the course being company sponsored, is less appropriate than "independent" study. The ultimate key is whether or not such course has been approved by the Kansas Insurance Department.

The same logic also applies to those courses taken and completed by independent study.

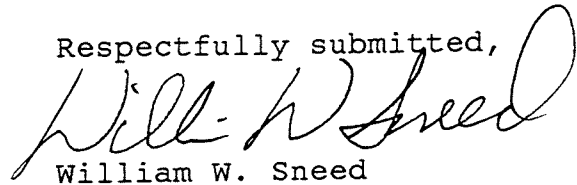
As you may be aware, attorneys in the State of Kansas must meet certain continuing educational requirements. All hours of CLE are acceptable so long as the course has been approved by

the Supreme Court. In many instances for an attorney, because of his or her situation or practice, imposing artificial limits on the types of courses that could be taken would create real hardships and fail to accomplish the ultimate goal of truly providing for continuing education.

Thus, if a company-sponsored correspondence course does not meet the ultimate goal, i.e., to increase and/or update an insurance agent's knowledge, then the proper course of action is not to approve the course. It is for these reasons that we must respectfully oppose the bill.

Thank you for your time, and I am available for questions at your convenience.

Respectfully submitted,

A handwritten signature in cursive script that reads "William W. Sneed". The signature is written in black ink and is positioned above the printed name.

William W. Sneed



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Elsie Lesser, Continuing Legal Education Director  
Patti Slider, Public Information Director  
Ronald Smith, Legislative Counsel  
Art Thompson, Legal Services — IOLTA Director

HB 2653  
January 24, 1990

## Attorney-Agent Continuing Education

Mr. Chairman, members of the House Insurance committee. I am Ron Smith. I am here representing the Kansas Bar Association.

We have no interest in Sections 1 and 2 of this bill. However, in discussing this bill with Dick Brock, we ask the following New Section 3 be included:

*"Section 3. An agent licensed for title insurance who also is licensed as an attorney by the Kansas supreme court need not comply with K.S.A. 1989 Supp. 40-240f(b)(4) if such agent complies with such court's rule concerning mandatory continuing legal education."*

### Rationale

As a condition of licensure, attorneys on active status must take twelve hours of continuing legal education each calendar year. Often the courses are more substantive in nature than those required under 40-240(f).<sup>1/</sup> It seems duplicative to us for those few lawyer-agents who have both a title insurance agency license and are licensed as Kansas attorneys to be required to go to continuing education under both the Supreme Court rule and the insurance education statute.<sup>2/</sup>

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<sup>1</sup>K.S.A. 40-240f(a)(2) limits approved subjects for insurance agent continuing education to "educational presentation involving insurance fundamentals, insurance law, insurance politics and coverage, insurance needs, reisk management or other areas . . . and which has been approved by the commissioner . . . as expanding skills and knowledge obtained priot to initial licensure or developing new and relevant skills and knowledge."

<sup>2</sup>We believe the same analogy holds true for insurance agents in the life and casualty fields who also are practicing attorneys, but our amendment only speaks to title insurance. The number who are in the life and casualty fields and in the active practice of law are very small while there are several hundred in the title insurance arena.

1200 Harrison • P.O. Box 1037 • Topeka, Kansas 66601-1037 • FAX (913) 234-3813 • Telephone (913) 234-5696

BOARD OF GOVERNORS: Charles E. Wetzler, John L. Vratil, David J. Waxse, District 1 • John C. Tillotson, District 2 • Tim Brazil, District 3 • Warren D. Andreas, District 4  
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Christel Marquardt, Association ABA Delegate • Richard C. Hite, Kansas ABA Delegate • Hon. William R. Carpenter, KDJR Representative.

Attachment 7

Our suggested amendment would apply only to agents licensed for title insurance who also have passed the bar exam and are admitted to practice law in Kansas who are title insurance agents. Further, if for any reason such agent were to drop his law license, go on inactive status with the Court, or in any manner not comply with the court's continuing legal education rule, then for purposes of the insurance education statute, he or she would have to begin complying with K.S.A. 1989 Supp. 40-240f and fulfill the required CEC hours if he wanted to maintain his title insurance license.

Thank you.