

Approved 3/5/90 Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

The meeting was called to order by SENATOR RICHARD L. BOND at  
Chairperson

9:00 a.m./~~5:00~~ on THURSDAY, MARCH 1, 1990 in room 529-S of the Capitol.

All members ~~were~~ present ~~except~~:

Senators Karr, Kerr, McClure, Moran, Parrish, Reilly, Salisbury, Strick and Yost.

Committee staff present:

Bill Edds, Revisors Office  
Bill Wolff, Research Department  
Louise Bobo, Committee Secretary

Conferees appearing before the committee:

Rep. David Heinemann, Kansas House of Representatives  
Mark Wettig, Department of Revenue  
Sue McKenna, SRS Legal Department

Chairman Bond called the meeting to order at 9:14 a.m.

HB 2269 - Motor vehicle insurance: reinstatement of license or registration.

Chairman Bond recognized Rep. David Heinemann who testified in support of this proposed legislation. Rep. Heinemann explained that in certain cases, individuals had been unable to have their license restored because the injured party refused to settle for damages but filed a lawsuit. Meanwhile, the individual cannot get his license back until liability is determined. In some instances, an individual has paid a claim for damages just to get his license returned. This bill would allow the Department of Motor Vehicles to restore driving privileges when all other provisions of reinstatement have been met even though he may be party to an action to determine liability.

Mark Wettig, Department of Revenue, rose in opposition to this bill. He advised the committee that the amendment to the bill changing lines 181 and 182 on page five, would allow a party who does not have insurance and is involved in an accident to have his license restored simply by filing a court action or having an action filed against him. Mr. Wettig said that his Department objected to this change because it would effectively repeal the current requirements for reinstatement. (Attachment 1)

Following a brief discussion, Chairman Bond requested Rep. Heinemann and Mr. Wettig to work together and try to develop language that would not repeal our current requirements for reinstatement.

The Chairman informed the committee that Ted Faye, State Insurance Department, had requested the committee to inform him whether they wanted the language in SB 747 to read that the Health Care Stabilization Fund "shall" or "may" defend against alleged acts of sexual misconduct. Following a short discussion, the committee agreed that the instructions to Mr. Faye should be to have the language in the bill read "may provide reasonable defense."

SB 637 - Purchase of insurance for volunteers participating in family foster care programs.

Sue McKenna, SRS Legal Department, appeared before the committee in the absence of Tim Owens. Ms. McKenna explained that passage of this bill was necessary in order that SRS may continue to receive federal funds for foster care. Staff explained that the changes in Section 2 were technical in nature as those sections had been transferred to other sections of the statutes. During the brief discussion following her testimony, Ms. McKenna informed the committee that the federal share of the funds was 54% while the state supplied 46%. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
room 529-S, Statehouse, at 9:00 a.m./~~pm~~ on THURSDAY, MARCH 1, 1990

Senator Yost made a motion accept the technical amendments to the bill. Senator Salisbury seconded the motion. The motion carried.

Senator Salisbury made a motion to pass SB 637 out favorably as amended with Senator Reilly seconding the motion. The motion carried.

Minutes of Tuesday, February 28, 1990, were approved on a motion of Senator Reilly with Senator Parrish seconding the motion. The motion carried.

The meeting adjourned at 9:45 a.m.



INSAS DEPARTMENT OF REVENUE  
Office of the Secretary  
Robert B. Docking State Office Building  
Topeka, Kansas 66612-1588

TO: The Honorable Richard Bond, Chairman  
Senate Financial Institutions and  
Insurance Committee

FROM: Mark E. Wettig,  
Special Assistant to the Secretary of Revenue

DATE: February 28, 1990

SUBJECT: House Bill 2269

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The Department of Revenue appreciates the opportunity to testify today in regards to House Bill 2269.

BACKGROUND

The portion of House Bill 2269 that the Department is concerned with is found on lines 181 and 182 of page five. This provision would allow a party who does not have insurance and is involved in an accident to have his drivers license and motor vehicle registration reinstated simply by filing a lawsuit or having one filed against him. This would effectively serve to repeal the current requirements for reinstatement.

Thank you.

Attachment 1  
FI & I

3/1/90

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Testimony Before

The Senate Committee on Financial Institutions and Insurance

Regarding Senate Bill 637

in Room 529-S of the Capitol Building

at 9:00 a.m. on March 1, 1990

Tim Owens  
General Counsel  
Telephone: 296-3967

Presented on behalf of:

Winston Barton  
Secretary  
Telephone: 296-3274

*Attachment 2*  
*ATI*  
*3/1/90*

TESTIMONY REGARDING SENATE BILL 637

The bill is supported by the staff of the Kansas Department of SRS. SRS receives foster care funds from the federal government. In turn, the department takes these funds, matches them, and makes payments to the licensed volunteers who provide family foster homes across the state. The volunteers are licensed by the Kansas Department of Health and Environment, and the placements are supported and supervised by SRS staff. As a requirement to receive these payments from the federal government, we must assure that the payment made to the volunteers is sufficient to provide liability coverage for the foster parents.

42 U.S.C. Sec. 675(4)(A) provides: "The term 'foster care maintenance payments' means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. . . ."

In the past, insurance was provided by the individual foster parent seeking insurance. It was, however, difficult to find. Now, such insurance is not available to individuals, and it must be purchased by the state agency.

Last year, the Kansas Department of SRS was able to purchase the insurance through a specific line item; however, the department needs ongoing authorization for this purpose.

We would recommend passage and approval of Senate Bill 637.

Thomas C. Owens  
General Counsel/Chief of Staff  
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