

Approved 3/14/90 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./~~noon~~ on TUESDAY, MARCH 13, 1990 in room 529-S of the Capitol.

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

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

Committee staff present:

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

Conferees appearing before the committee:

Ron Todd, Kansas Insurance Department
Jim Oliver, Professional Insurance Agents

The meeting was called to order at 9:10 a.m. by Chairman Bond.

Chairman Bond informed the committee that the principal proponent of SB 455, concerning savings and loan, has suggested that we allow the bill to "rest" in committee. The enthusiasm for the bill on the part of the KS-Nebraska Savings and Loan Association, has waned.

Chairman Bond also announced that the essential parts of HB 2050 were incorporated into SB 18 which passed the Legislature last year; therefore, we did not need this bill.

Senator Parrish made a motion to report HB 2050 adversely. The motion was seconded by Senator Salisbury. The motion carried.

Discussion was opened on SB 633. Bill Pitsenberger, Blue Cross Blue Shield, explained that the primary purpose of the amendment to the bill proposed by his organization was to parallel the amendment in HB 3015 that would make all mandated benefits optional to the policyholder. (Attachment 1) A committee member asked about the status of HB 3015. Mr. Pitsenberger said that discussion and possible action in the House Insurance Committee was expected this afternoon. Debbie Folkerts, representing the Advanced Registered Nurse Practitioners, was asked if her organization favored the amendment presented by Blue Cross Blue Shield. She replied that they did not favor the amendment primarily because the patient would be penalized for going to a lower cost person.

Senator Anderson made a motion to pass SB 633, without the amendment, out of committee favorably with Senator Parrish seconding the motion. The motion carried.

HB 2722 - Insurance: continuing education for agents.

Chairman Bond recognized Ron Todd, Kansas Insurance Department, who informed the committee that his Department had no objection to the bill and that he would be glad to answer any questions. He then deferred to Jim Oliver, Professional Insurance Agents, who addressed the committee in support of this bill. Mr. Oliver stated that his association perceived inequities in the credits awarded to those seeking the professional designation. His organization believes that the credit for these courses, as well as other approved courses, should be based on classroom hours only and that the agent should not be subjected to an examination in order to obtain full credit for his continuing education. The House amended the bill to prevent carryover credits from one bienium to another. The Insurance Department amended the bill to (1) change the effective date from May 1, 1990, to April 1, 1991, and (2) to allow the Insurance Department to continue to have authority for approving Continuing Education. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,
room 529-S, Statehouse, at 9:00 a.m. ~~xxx~~ on TUESDAY, MARCH 13, 1990.

During the brief discussion a committee member affirmed with Mr. Oliver that the original purpose of the bill was to relieve agents from having to take examinations and base their credit solely on classroom attendance. Mr. Todd testified that the Department does not require tests and that tests are not a part of the rules and regulations.

Senator Yost motioned to pass HB 2722 favorably as amended by the House. Senator Karr seconded the motion. The motion carried.

Minutes of Friday, March 2, 1990, and Monday, March 5, 1990, were approved on a motion by Senator Strick with Senator Yost seconding. The motion carried.

The meeting adjourned at 9:50 a.m.

Legislation

SENATE BILL No. 633

By Committee on Financial Institutions and Insurance

2-8

*Attachment 1
A.I. v. I
3/18/90*

9 AN ACT relating to insurance; providing for reimbursement for serv-
10 ices performed by advanced registered nurse practitioners under
11 health and accident policies; amending K.S.A. 1989 Supp. 40-
12 2,103 and 40-19c09 and repealing the existing sections; also re-
13 pealing K.S.A. 1989 Supp. 40-19c09a.
14

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

16 New Section 1. Notwithstanding any provision of ~~an individual~~
17 ~~or~~ group policy or contract for health and accident insurance deliv-
18 ered within the state, whenever such policy or contract shall provide
19 for reimbursement for any services within the lawful scope of practice
20 of an advanced registered nurse practitioner within the state of Kan-
21 sas, the insured, or any other person covered by the policy or
22 contract, shall be allowed and entitled to reimbursement for such
23 service irrespective of whether it was provided or performed by a
24 duly licensed physician or an advanced registered nurse practitioner.

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, if requested by the policyholder and upon payment of any appropriate premium charge,

25 Sec. 2. K.S.A. 1989 Supp. 40-2,103 is hereby amended to read
26 as follows: 40-2,103. The requirements of K.S.A. 40-2,100, 40-2,101,
27 40-2,102, 40-2,104 and, 40-2,114 and section 1 and amendments
28 thereto shall apply to all insurance policies, subscriber contracts or
29 certificates of insurance delivered, renewed or issued for delivery
30 within or outside of this state or used within this state by or for an
31 individual who resides or is employed in this state.

32 Sec. 3. K.S.A. 1989 Supp. 40-19c09 is hereby amended to read
33 as follows: 40-19c09. Corporations organized under the nonprofit
34 medical and hospital service corporation act shall be subject to the
35 provisions of the Kansas general corporation code, articles 60 to 74,
36 inclusive, of chapter 17 of the Kansas Statutes Annotated, applicable
37 to nonprofit corporations, to the provisions of sections 3 and 4 of
38 this act, to the provisions of K.S.A. 40-2,116 and 40-2,117 section
39 1 and to the provisions of K.S.A. 40-214, 40-215, 40-216, 40-218,
40 40-219, 40-222, 40-223, 40-224, 40-225, 40-226, 40-229, 40-230, 40-
41 231, 40-235, 40-236, 40-237, 40-247, 40-248, 40-249, 40-250, 40-251,
42 40-252, 40-254, 40-2,100, 40-2,101, 40-2,102, 40-2,103, 40-2,104, 40-
43 2,105, 40-2,116, 40-2,117, 40-2a01 to 40-2a19, inclusive, 40-2111 to



Testimony before the Senate Financial
Institutions and Insurance Committee

regarding

H.B. 2722

March 13, 1990

**PROFESSIONAL
INSURANCE
AGENTS**

DOROTHY M. TAYLOR
EXECUTIVE DIRECTOR

627 TOPEKA AVE.
TOPEKA, KS 66603-3296
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Mr. Chairman, members of the committee. My name is Jim Oliver, Legislative Representative of the Professional Insurance Agents of Kansas, comprised of some 650 insurance agents^{over} over the state.

The Professional Insurance Agents proposed House Bill 2722 and it was introduced by the House Committee on Insurance. Our association perceived an inequity in the regulations of the Insurance Department which required those agents who attended professional designation programs to attend from 20 to 65 hours of classroom instruction but were awarded credit for only half of the 12 CECs required for a bienium unless they took and passed an examination. Other courses comprizing from one to twelve hours of instruction approved by the Insurance Department were awarded CECs on the basis of the classroom hours which they attended with no examination required.

Attached is a list of professional designation courses which are, for the most part, the courses which are affected by the Insurance Department's regulation. The Professional Insurance Agents believe the credit for these courses, as well as other approved courses, should be based on classroom hours which they attend. Other professionals who have continuing education requirements, such as doctors, lawyers, nurses, CPAs and veterinarians, are not required to take examinations to receive credit for their continuing education.

During the House Insurance hearing on this bill, several members

*Attachment 2
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voiced their objections to that portion of the original bill which provided for continuing education credit for more the current bienium if an agent completed more than 12 CECs in one bienium _____ in other words, no carryover. The Insurance Department also testified that the original effective date May 1, 1990 would be difficult for the Department to administer and suggested the effective date should be changed to April 1, 1991, the end of the first bienium. Also the Insurance Department representative objected to the wording of the original amendment which would have abrogated the authority and responsibility of the Insurance Commissioner for approving Continuing Education.

I requested a conference with the Insurance Department representative, the Professional Insurance Agents, the Independent Insurance Agents of Kansas, and the Kansas Association of Life Underwriters. These four conferees agreed on the bill as amended. The House Insurance Committee then passed the amended bill unanimously. The full House also passed the amended bill without opposition.

I would urge your favorable support of House Bill 2722 as amended.

COURSE COMPARISON

Program/Name (Example)	Actual Number of Hours Required in Classroom	Kansas CE Credit
CLU-HS316 Personal Risk Management	30	12
CPCU #3 Commercial Property Risk Management	30	12
ARM #54 Essentials of Risk Management	26	12
CEBS II Retirement Plans	30	12
LUTC I Personal Insurance	65	12
LOMA #10-SR Selection of Risks	26	12
CFP II Risk Management	30	12
CIC Commercial Property	<i>28</i>	12

Each of the above courses is representative of their respective programs, and each leads to a professional designation. Each also requires the passage of an exam in order to receive 12 hours credit. Anyone not passing the exam or not taking the exam receives $\frac{1}{2}$ credit.