

Approved March 2, 1992  
Date

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Representative Turnquist at  
Chairperson

531 N xxx a.m./p.m. on Feb. 27, 1992 in room 531 N of the Capitol.

All members were present except:

Representative Sebelius, Excused

Committee staff present:

Mr. Chris Courtwright, Research

Mr. Fred Carman, Revisor

Mrs. Nikki Feuerborn, Secretary

Mr. Mark Hunter, Intern

Conferees appearing before the committee:

Representative Lowther

Representative O'Neal

Mr. Brad Smoot, Blue Cross/Blue Shield

Mr. Dick Brock, Insurance Department

#### **Hearing on HB 2927 - An act concerning the registration of motor vehicles**

Mr. Chris Courtwright of Research gave a staff review of the proposed legislation.

Representative Lowther appeared as a proponent of the bill which is to further tighten the current laws regarding those people who, when buying license tags, give false information on the insurance company and policy number. This bill would make it clear to people that it's not only against the law to lie about coverage, but to use false insurance company names and policy numbers. (See Attachment 1).

#### **Hearing on HB 2931 - Lapse of coverage prohibited under certain conditions**

Representative O'Neal discussed group health insurance policies which are offered to employees of companies doing business in the state and are misrepresenting coverage to both the employer and the employees. Such individual insurance contracts are purchased out of state. He cited examples which led to this proposed legislation. (See Attachment 2).

Mr. Brad Smoot of Blue Cross/Blue Shield of Kansas, submitted a substitute for the bill which would incorporate appropriate language. (See Attachment 3).

Mr. Dick Brock of the Insurance Department stated that such contracts purchased out of state are not under the jurisdiction of the department. He indicated that participation requirements should be worked out between the employer and the insurer.

Representative Helgerson moved to favorably report the passage of HB 2753 and that it be placed on the consent calendar. Representative Neufeld seconded the motion. Motion carried.

Representative Ensminger moved to approve the minutes of the Feb. 26, 1992, meeting. Representative Helgerson seconded the motion. Motion carried.

The meeting adjourned at 4:30 p.m.



JAMES E. LOWTHER  
 REPRESENTATIVE, THIRTY NINTH DISTRICT  
 LYON COUNTY  
 1549 BERKELEY ROAD  
 EMPORIA, KANSAS 66801



TOPEKA

COMMITTEE ASSIGNMENTS  
 APPROPRIATIONS COMMITTEE  
 TAXATION COMMITTEE

2-27-92

HOUSE OF  
 REPRESENTATIVES

## HOUSE INSURANCE COMMITTEE

PENALTY FOR PROVIDING A FALSE INSURANCE COMPANY NAME OR MOTOR  
 VEHICLE INSURANCE POLICY NUMBER

BACKGROUND

If you want to drive a car in Kansas you must provide liability insurance coverage for others you might accidentally injure or whose property you might damage. This is the law as required under KSA 3104. The law requires that an owner of an uninsured vehicle shall not permit operation upon a highway unless expressly exempt. It further states that no person shall knowingly drive an uninsured vehicle upon a highway unless exempt. Evidence of "financial security" is to be displayed on demand of a law enforcement officer.

Anyone violating these provisions of the law are guilty of a Class B misdemeanor & subject to a fine of \$200 to \$1000 or a jail sentence of up to six months. Violators have their licenses suspended if involved in an accident.

In addition to this, KSA 3118 requires that no motor vehicle shall be registered unless the owner has in effect a policy of liability insurance covering such vehicle. The law stipulates that the owner shall maintain insurance coverage continuously throughout the period of registration. Violation results in suspension of the vehicle registration and the driving privileges of the owner. Suspension remains in effect until satisfactory proof of insurance has been filed and a reinstatement fee paid (\$25).

Making a false certification of insurance coverage is a Class B misdemeanor.

The purpose of this bill is to further tighten up the current laws as to those people who, when buying license tags, give false information on the insurance company and policy number.

*House Insurance*  
*2/27/92*  
*Attachment 1*

age two

KSA 3118 requires coverage be in effect and be continuous for the term of registration, or suspension can result. It also says that making a false certification "concerning financial security" for operation of a vehicle is a Class B misdemeanor. This bill would make it clear to people that its not only against the law to lie about coverage, but to use false insurance company names and policy numbers.

(A simple sign on the counter to this affect might be beneficial).

The ineffectiveness of the present statutes as they are drafted - the language isn't in easy-to-understand terminology - became apparent to me as the result of an accident last summer. On the accident report, the policy number was incorrect for a completely different vehicle and it had lapsed one year before the accident. The tag was bought on April 3, 1991.

I submit the specific easy-to-understand language in this bill will make the law more enforceable to the benefit of all.

*Page 2 of 1*

**STATE OF KANSAS**  
**MOTOCYCLE VEHICLE ACCIDENT REPORT**

(Check One Box Only)

Fatal  Injury  Property Damage Only OVER \$500  
 Private Property  Property Damage Only UNDER \$500

Hit & run  
A

Milepost: LY COUNTY: LY ON Highway/Road/Street: U.S. Hwy 99 (Merchant St) & Speed Limit: 30 CITY/TOWN: EMPORIA Photos By: \_\_\_\_\_ Local Case Number: 91-3211 113

Distance: \_\_\_\_\_ FvMi & Dir:  FROM  AT Highway/Road/St & Speed Limit: 30 Investigating DEPT.: EMPORIA P.D. Investigating OFFICER: M. REILLY 138 Reviewed By: MLC

COLLISION DIAGRAM (Show Unit Movements, Roads, North Arrow)  DESCRIBE PRE-CRASH MOVEMENT or ACTION and DIRECTION of VEHICLES and PEDESTRIANS/PEDALCYCLISTS By Number: UNIT # 2 WAS STRUCK BY EAST BOUND UNIT #1. DATE of ACCIDENT: 07/25/91 TIME Occurred & DAY: 00:30 - 00:40 TH TIME Notified/Arr. & DA: 0040 TH 0043 TH

Object Damaged & Nature of Damage (Show Location in Diagram) \_\_\_\_\_ Name and Address of Object Owner \_\_\_\_\_

(State Use Only)

ON Road: \_\_\_\_\_ Cntl Sec: \_\_\_\_\_ Sec. Milepost: \_\_\_\_\_ Int #: \_\_\_\_\_ AT Road: \_\_\_\_\_ Distance: \_\_\_\_\_ Unit Dir: \_\_\_\_\_ Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_

County: \_\_\_\_\_ City Code: \_\_\_\_\_ Agency Code: \_\_\_\_\_ Distance: \_\_\_\_\_ Reference Road 1: \_\_\_\_\_ Distance: \_\_\_\_\_ Reference Road 2: \_\_\_\_\_ Coder: \_\_\_\_\_ FA Code: \_\_\_\_\_

Unit:  Driver  Ped NAME (Last, First and Initial): \_\_\_\_\_ Phone  Work  Home: 343-2640 Color: MAR YEAR & MAKE of Vehicle: 74 GMC MODEL and BODY STYLE: FULLSIZE - PU

Driver/Ped ADDRESS (Number, Street, City, State, Zip Code): EMPORIA KS 66801 STATE: KS LICENSE PLATE #: 92 YEAR: 92 Removed By: WILLIAMS TOWING

DRIVER'S LICENSE STATE and NUMBER: KS No. \_\_\_\_\_ CDL?  DATE of BIRTH: 01/02/73 SEX: M VEHICLE IDENTIFICATION NUMBER: TCV144J50639Z Odometer: 77203

Registered OWNER FULL NAME ("Same" if Driver): SAME Phone  Work  Home: \_\_\_\_\_ TOTAL number of vehicle occupants including driver: 5 Fire?  Insurance Company: FARMER'S & MERCHANT

OWNER Address ("Same" if Driver): \_\_\_\_\_ Special Data Area: \_\_\_\_\_ Policy Number: A 889893091

Special Conditions (if any) for unit above:  01 Hit & Run  02 Non-Contact  03 Stolen  04 Parked  05 Police Pursuit  06 Driverless

Unit:  Driver  Ped NAME (Last, First and Initial): 6114 Phone  Work  Home: 342-6089 Color: TRU YEAR & MAKE of Vehicle: 82 CHEV MODEL and BODY STYLE: CAPRICE - SW

Driver/Ped ADDRESS (Number, Street, City, State, Zip Code): EMPORIA KS 66801 STATE: KS LICENSE PLATE #: 91 YEAR: 91 Removed By: DRIVER

DRIVER'S LICENSE STATE and NUMBER: KS No. \_\_\_\_\_ CDL?  DATE of BIRTH: 10/05/59 SEX: F VEHICLE IDENTIFICATION NUMBER: 2G1AN35N6C1182624 Odometer: 120651

Registered OWNER FULL NAME ("Same" if Driver): SAME Phone  Work  Home: \_\_\_\_\_ TOTAL number of vehicle occupants including driver: 2 Fire?  Insurance Company: FARM BUREAU

OWNER Address ("Same" if Driver): \_\_\_\_\_ Special Data Area: \_\_\_\_\_ Policy Number: 1101181

Special Conditions (if any) for unit above:  01 Hit & Run  02 Non-Contact  03 Stolen  04 Parked  05 Police Pursuit  06 Driverless

Record ALL injured & uninjured vehicle occupants and pedestrians. For trains, record crew in control and injured passengers. See Code List.

TRAF UNIT	SEAT/TYPE	Last NAME	First Name	Initial	ADDRESS (#, Street, City, State, Zip.)	SEX	AGE	S.E. USE	Child Youth	EJCT TRAP	INJ. SEV.	EM UNI
1	0.1	DRIVER #1				M	18	S	-	-	N	-
1	0.3				DOB: 08/20/72 66801 PHONE: NONE	KS M	16	S	-	-	N	-
1	0.8				DOB: 01/20/78 66801	KS M	13	S	-	-	N	-
1	0.8				DOB: 07/05/74 KS 66801	M	17	-	-	-	N	-
1	0.8					M	19	-	-	-	N	-

E Unit M S A	INJURED TAKEN BY: LY CO. AMBULANCE	INJURED TAKEN TO: NEWMANN HOSPITAL	E Unit M S B	INJURED TAKEN BY: _____	INJURED TAKEN TO: _____	E Unit M S C	INJURED TAKEN BY: _____	INJURED TAKEN TO: _____
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**MOT STATE OF KANSAS  
VEHICLE ACCIDENT REPORT**

(Check One Box Only)  Fatal  Injury  Property Damage Only OVER \$500  
 Private Property  Property Damage Only UNDER \$500

Page 1 of 2

Milepost: \_\_\_\_\_ COUNTY: ON Highway/Road/Street: SUPPLEMENTAL & Speed Limit: \_\_\_\_\_ CITY/TOWN: \_\_\_\_\_ Photos: By: \_\_\_\_\_ Local Case Number: 91-3211

Distance: \_\_\_\_\_ F/Mi & Dir:  FROM  AT Highway/Road/St & Speed Limit: \_\_\_\_\_ Investigating DEPT.: \_\_\_\_\_ Investigating OFFICER: \_\_\_\_\_ Reviewed By: ASV

**COLLISION DIAGRAM** (Show Unit Movements, Roads, North Arrow) N DESCRIBE PRE-CRASH MOVEMENT or ACTION and DIRECTION of VEHICLES and PEDESTRIANS/PEDALCYCLISTS By Number: \_\_\_\_\_ DATE of ACCIDENT: \_\_\_\_\_

TIME Occurred & DAY: \_\_\_\_\_ TIME Notified/Arr. & DA: \_\_\_\_\_

Object Damaged & Nature of Damage (Show Location in Diagram): \_\_\_\_\_ Name and Address of Object Owner: \_\_\_\_\_

(State Use Only)

ON Road: \_\_\_\_\_ Cntl Sec: \_\_\_\_\_ Sec: Milepost: \_\_\_\_\_ Int #: \_\_\_\_\_ AT Road: \_\_\_\_\_ Distance: \_\_\_\_\_ Unit: \_\_\_\_\_ Dir: \_\_\_\_\_ Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_

County: \_\_\_\_\_ City Code: \_\_\_\_\_ Agency Code: \_\_\_\_\_ Distance: \_\_\_\_\_ Reference Road 1: \_\_\_\_\_ Distance: \_\_\_\_\_ Reference Road 2: \_\_\_\_\_ Coder: \_\_\_\_\_ F A Code: \_\_\_\_\_

Unit:  Driver  Ped NAME (Last, First and Initial): \_\_\_\_\_ Phone  Work  Home: \_\_\_\_\_ Color: \_\_\_\_\_ YEAR & MAKE of Vehicle: \_\_\_\_\_ MODEL and BODY STYLE: \_\_\_\_\_

Driver/Ped ADDRESS (Number, Street, City, State, Zip Code): \_\_\_\_\_ STATE: \_\_\_\_\_ LICENSE PLATE #: \_\_\_\_\_ YEAR: \_\_\_\_\_ Removed By: \_\_\_\_\_

DRIVER'S LICENSE STATE and NUMBER: \_\_\_\_\_ St: \_\_\_\_\_ No: \_\_\_\_\_ CDL?: \_\_\_\_\_ DATE of BIRTH: \_\_\_\_\_ SEX: \_\_\_\_\_ VEHICLE IDENTIFICATION NUMBER: \_\_\_\_\_ Odometer: \_\_\_\_\_

Registered OWNER FULL NAME ("Same" if Driver): \_\_\_\_\_ Phone  Work  Home: \_\_\_\_\_ TOTAL number of vehicle occupants including driver: \_\_\_\_\_ Fire?: \_\_\_\_\_ Insurance Company: \_\_\_\_\_

OWNER Address ("Same" if Driver): \_\_\_\_\_ Special Data Area: \_\_\_\_\_ Policy Number: \_\_\_\_\_

Special Conditions (if any) for unit above:  01 Hit & Run  02 Non-Contact  03 Stolen  04 Parked  05 Police Pursuit  06 Driverless

Unit:  Driver  Ped NAME (Last, First and Initial): \_\_\_\_\_ Phone  Work  Home: \_\_\_\_\_ Color: \_\_\_\_\_ YEAR & MAKE of Vehicle: \_\_\_\_\_ MODEL and BODY STYLE: \_\_\_\_\_

Driver/Ped ADDRESS (Number, Street, City, State, Zip Code): \_\_\_\_\_ STATE: \_\_\_\_\_ LICENSE PLATE #: \_\_\_\_\_ YEAR: \_\_\_\_\_ Removed By: \_\_\_\_\_

DRIVER'S LICENSE STATE and NUMBER: \_\_\_\_\_ St: \_\_\_\_\_ No: \_\_\_\_\_ CDL?: \_\_\_\_\_ DATE of BIRTH: \_\_\_\_\_ SEX: \_\_\_\_\_ VEHICLE IDENTIFICATION NUMBER: \_\_\_\_\_ Odometer: \_\_\_\_\_

Registered OWNER FULL NAME ("Same" if Driver): \_\_\_\_\_ Phone  Work  Home: \_\_\_\_\_ TOTAL number of vehicle occupants including driver: \_\_\_\_\_ Fire?: \_\_\_\_\_ Insurance Company: \_\_\_\_\_

OWNER Address ("Same" if Driver): \_\_\_\_\_ Special Data Area: \_\_\_\_\_ Policy Number: \_\_\_\_\_

Special Conditions (if any) for unit above:  01 Hit & Run  02 Non-Contact  03 Stolen  04 Parked  05 Police Pursuit  06 Driverless

Record ALL injured & uninjured vehicle occupants and pedestrians. For trains, record crew in control and injured passengers. See Code List.

TRAF UNIT	SEAT/TYPE	Last NAME	First Name	Initial	ADDRESS (#, Street, City, State, Zip)	SEX	AGE	S.E. USE	Child Youth	EJCT TRAP	INJ. SEV.	EM UN
		DOB: 10/28/71			KS 66801	-	-	-	-	-	-	-
201		DRIVER #2				F	30	S	-	-	N	-
203		GUILFOYLE, REBECCA			931 GAK, EMPORIA KS	F	35	S	-	-	D	L
		DOB: 11/13/55 117815			66801 343-7708							

E Unit **A** INJURED TAKEN By: \_\_\_\_\_ INJURED TAKEN To: \_\_\_\_\_

E Unit **B** INJURED TAKEN By: \_\_\_\_\_ INJURED TAKEN To: \_\_\_\_\_

E Unit **C** INJURED TAKEN By: \_\_\_\_\_ INJURED TAKEN To: \_\_\_\_\_

INVESTIGATIVE REPORT

COUNTY	On Highway/Road/Street	CITY/TOWN	DATE of Accident	<input type="checkbox"/> Narrative & Diagram on FATAL ACCIDENT (Required by State)	1 of 3/3
LY	U.S. Hwy 99 (MERCHANT ST.)	EMPORIA	07/25/91	<input checked="" type="checkbox"/> Investigative Report	
FOR STATE USE ONLY		INVESTIGATING DEPT.	TIME Occurred & DAY	Invest. OFFICER	Local Case Number
		EMPORIA P.D.	0030-0040 TH	138 M. KELLY	91-3211

UNIT #1 WAS EAST BOUND 100 BLK W 18TH AVE  
 UNIT #2 WAS SOUTHBOUND 1800 BLK MERCHANT STREET. UNIT #1 DIDN'T STOP FOR THE STOP SIGN AND STRUCK UNIT #2 IN THE RIGHT SIDE. UNIT #1 WAS DISABLED.

PASSENGER GUILFOYLE COMPLAINED OF INJURIES TO HER ARM AND LEG. GUILFOYLE AT FIRST REFUSED MEDICAL TREATMENT BUT, WAS TRANSPORTED BY AMBULANCE TO NEWMANN HOSPITAL.

DRIVER #1 TOLD R.O. THAT HE WASN'T WEARING GLASSES OR CONTACTS DURING THE ACCIDENT.

CASE CLEARED. NO FURTHER ACTION.



DIAGRAM

HAPPENED

Draw scene as observed. Refer to vehicles, drivers and pedestrians by numbers assigned in this report.

91-3211

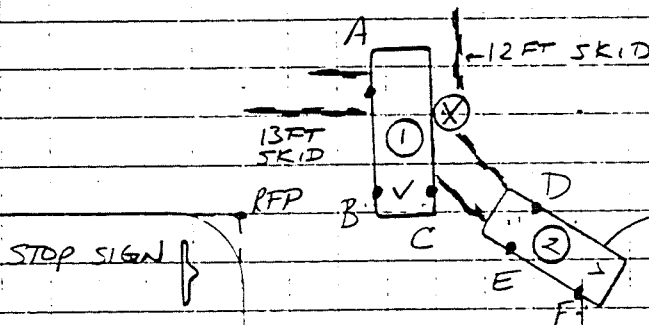


- SHOW (1) Location of street and access points and identify specifically by number.
- (2) Paths of units prior to and after impact, skidmarks, and point of impact (POI).
- (3) Location of signs, traffic controls, and reference points.
- (4) Location of other property hit/damaged (trees, signs, etc.).
- (5) Special features at location (bridge, overpass, culvert, railroad crossing, etc.).
- (6) Location of temporary highway conditions.
- (7) All measurements to locate the accident relative to specific, fixed, uniquely identifiable and locatable point.

NOT DRAWN TO SCALE

MERCHANT STREET (U.S. Hwy 99)

W. 18<sup>TH</sup> AVE



A = 12 N X 12 E OF RFP  
 B = 2 N X 13 E OF RFP  
 C = 2 N X 18 E OF RFP

D = 0 X 28 E OF RFP  
 E = 45 X 27 E OF RFP  
 F = 105 X 34 E OF RFP

IMPACT AREA ⊗ = 10 N X 18 E OF RFP

The following is designed to provide Central Benefits' Underwriting Guidelines concisely, to help you determine what types of groups are acceptable risks. The following items are guidelines. Some flexibility exists, depending on the size of

the group, particularly for groups with more than 100 employees. Central Benefits reserves the right to refuse coverage to any group.

Groups fall into two categories for underwriting purposes:

- 1) employer/employee groups and 2) association groups. Association groups are evaluated for acceptability on a case-by-case basis by the Underwriting Department of Central Benefits. Guidelines for employer/employee groups follow.

### EMPLOYER/EMPLOYEE GROUPS DEFINED

1. There is an employee/employer relationship.
2. Acceptable payroll and payroll checks must exist and show deductions for Social Security and Federal income taxes.

### GROUP CHARACTERISTICS

**Size**—Employer groups of two or more eligible employees may apply for coverage.

**Stability**—For employers who have been in business less than one year, refer to the Central Benefits Underwriting Department before submitting a proposal.

**Frequency of Carrier Change**—Retaining clients allows an insurer to spread acquisition costs, and to benefit from periods of lower claim levels to offset high claim periods. Groups that have been with two or more carriers in the last three years may not be accepted for coverage.

### INELIGIBLE GROUPS

Ineligible groups usually include:

1. Groups without an employer/employee relationship, (i.e., contract workers, associated professionals, and work-for-fee employees);
2. Groups with known uninsurable persons;
3. Groups subject to hazardous risks;
4. High turnover groups.

Groups that fall into one of the above categories should be referred to the Underwriting Department for review of acceptability prior to quoting.

### EMPLOYER UNIT EFFECTIVE DATE

Coverage generally must become effective on the first day of a calendar month. Complete enrollment materials for groups with 2-9 lives must be submitted (postmarked) by the 15th of the month prior to the effective date requested, and the 25th of the month prior to the effective date requested for groups of 10 or more lives. **IN NO CASE SHOULD THE EMPLOYER ALLOW ANY COVERAGE CURRENTLY IN FORCE TO LAPSE BEFORE A**

### FORMAL LETTER OF ACCEPTANCE HAS BEEN RECEIVED FROM CENTRAL BENEFITS.

**Home Office Approval**—No agent has binding authority. All accounts will be accepted or rejected on a review of the information given on the group's application and the employee applications. Final enrollment and Home Office Underwriting determines acceptability and final rates to be charged.

### ELIGIBLE EMPLOYEES

To be eligible for coverage, employees must be actively at work for a minimum of 30 hours per week.

Employees of groups with 2-9 employees who are age 70 and older are not eligible for coverage. Coverage for retired or part-time employees of groups with 10 or more employees may be available if they comprise no more than 10 percent of the total number of eligible employees.

### INELIGIBLE EMPLOYEES

1. Seasonal
2. Temporary
3. Part-time\*
4. Independent Contractor

\*Permanent part-time employees may be eligible if they work at least 20 hours per week on a regular basis.

### ELIGIBLE DEPENDENTS

Employee's spouse and unmarried dependent children under age 23.

### EMPLOYER PREMIUM CONTRIBUTION

The employer must contribute between 50 percent and 100 percent of employee premium.

### PARTICIPATION REQUIREMENTS

One hundred percent of all eligible employees must be enrolled for coverages for which the employer has paid 100 percent of employee premium. Seventy-five percent of all eligible employees must be enrolled for coverages for which the employer pays less than 100 percent.

### Special Considerations for Groups With "Multiple Option" Plans

For groups where employees have an HMO option or a PPO option, or both, in addition to traditional

Home Insurance

2/27/91 Attachment 2

## SUBSTITUTE FOR HOUSE BILL 2931

AN ACT concerning group accident and health insurance; relating to extension of benefits and prohibiting termination of coverage under certain conditions.

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

Section 1. Every individual or group policy of accident and sickness insurance issued in this state or covering residents of this state which provides benefits for hospital and medical expense or indemnity shall provide that in the event of termination of coverage under such policy while an insured is confined within a hospital, benefits shall continue to be payable for hospital care and in-hospital medical care until the insured is discharged from the hospital and shall also provide that benefits treatment of a total disability shall continue under the policy for the lesser of 120 days following the date of termination or until the termination of total disability when an insured is not confined within a hospital but is totally disabled at the time of termination. As used herein "total disability" means the insured's inability to engage in any occupation for wage or profit or, in the case of a minor, the inability to engage in activities of persons of the same age.

Section 2. No group policy of accident and health insurance issued within this state or covering a person who is a resident of this state for hospital or medical expense or indemnity shall include any provision which results in termination of coverage for an insured when such insured is on a leave of absence from employment authorized by the employer and such leave of absence is related to the insured's attendance to a family member's health.

Section 3. No provision of this act shall be construed to require an employer to pay premiums towards the insurance coverage of any person covered under this act.

Section 4. This action will take effect and be in force from and after its publication in the statute book.

*House Insurance  
Attachment 3*

*2-27-92*