

Approved: 4/6/95
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Bill Bryant at 12:30 p.m. on April 6, 1995 at the Rail of the Capitol.

All members were present except: Representative Dawson, Excused
Representative Landwehr, Excused

Committee staff present: Bill Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Tom Wilder, Kansas Insurance Department

Others attending: See attached list

Hearing on HB 2582--Insurance for small employers rate compression

Mr. Tom Wilder appeared on behalf of the Kansas Insurance Department requesting that the above-mentioned bill become a vehicle for emergency legislation regarding crop loss coverage from the growing stage through the first place of storage or first sale. This would include hail, fire, and transportation loss from harvest through storage or initial market location. The company requesting this additional coverage clause is McPherson Crop and Hail and would not require extra premiums from policy holders for this coverage. Mr. Wilder also requested that the legislation become effective upon publication in the Kansas register.

Representative Merritt moved to strike all existing language in the bill and accept the proposed language presented in Attachment 1. Motion was seconded by Representative Correll.

Representative Donovan moved to pass the bill out favorably as amended. Motion was seconded by Representative Merritt. Motion carried.

The meeting was adjourned at 12:40 p.m.

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PROPOSED BILL NO. _____

By

AN ACT relating to insurance; concerning mutual hail insurance companies; amending K.S.A. 40-1519 and repealing the existing section.

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

Section 1. K.S.A. 40-1519 is hereby amended to read as follows: 40-1519. Any insurance company organized and doing business as provided in K.S.A. 40-1501, and amendments thereto may, in addition to the class of business authorized in said such section, may make and issue contracts of insurance upon growing crops against direct loss or damage by fire and for any loss caused while the harvested crop is being transported to the initial place of storage or to an initial market location of such crops or to cede or accept reinsurance on any portion of any such risk: Provided, That, Such company shall have a bona fide net surplus exceeding all liabilities and reserve funds required by law of not less than \$100,000 of which \$50,000 shall be invested and deposited as provided in K.S.A. 40-227 and 40-230, and amendments thereto, for the protection of all policyholders: Provided--further, ~~That,~~ Before issuing any such contracts or accepting any such reinsurance ~~as heretofore provided,~~ the board of directors of said such company shall by a majority vote of the whole number of directors as provided in K.S.A. 40-1510, and amendments thereto, authorize the writing of such fire coverage: Provided--further, ~~That--such,~~ The company shall file with the commissioner of insurance a certified copy of the resolution of the board of directors taking such action ~~as herein provided~~ and a certified copy of its amended bylaws and amended charter as provided in K.S.A. 40-216, and amendments thereto.

Sec. 2. K.S.A. 40-1519 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

ESD
Attachment!
4/6/95