

Approved: February 15, 1996  
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Bill Bryant at 3:30 p.m. on February 12, 1996 in Room 527S-of the Capitol.

All members were present except: Representative Delbert Crabb  
Representative Phill Kline  
Representative Tom Sawyer

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

Conferees appearing before the committee: Representative Darlene Cornfield  
Helen Stephens, Kansas Peace Officers Association  
Sue Chase, Kansas National Education Association  
Tom Wilder, Kansas Insurance Department  
Bill Curtis, Kansas Association of School Boards

Others attending: See attached list

**Hearing on HB 2874 - Professional liability insurance for teachers and law enforcement officers**

Representative Darlene Cornfield noted in her testimony that law enforcement personnel and teachers are forced to join professional organizations in order to afford professional liability insurance and then it is limited to the provisions of their particular policy (Attachment 1). The professional liability insurance that is available on the open market is extremely expensive. This legislation would set up a pool for buying such liability insurance. Representative Cornfield suggested that fire fighters be added to those being served by the pool, add the option of million dollar coverage, and offer the insurance premium as payroll deductible. All companies who offer such liability insurance would be involved in the pool. The difference in prices between private and pool insurance was not known.

Helen Stephens, Kansas Peace Officers Association, reviewed all the professions involved in the Association and stated that they were in support of the bill (Attachment 2). This bill will not erode their present entitlement through their agency or the claims tort act. Officers want supplemental coverage and the bill may have to be expanded to meet their needs.

Sue Chase, Kansas National Education Association, spoke in opposition to the bill because they feel it is unnecessary for the teaching profession (Attachment 3). She informed the Committee of the availability of the low risk product which has two major suppliers in Kansas. Teachers functioning in their professional capacity are covered by insurance carried by the school districts. Members of their association are offered additional liability coverage as a benefit of membership. This secondary insurance kicks in after the school district's insurance. Teachers can also purchase professional liability insurance as a rider on their home owners policy at a very reasonable rate. Some other professional groups (such as English, Math Assoc., etc.) offer liability insurance.

Tom Wilder, representing the Insurance Department, said they had no position on this proposed legislation .

Bill Curtis, KASB, explained that 160 school districts supply their own professional liability insurance and 75 get their insurance through KASB. He also reviewed the errors and omission policy of KASB. This is not the same as liability and is limited to rendering of a professional service. Professional liability does not involve property damage or bodily injury.

Representative Landwehr moved to approve the minutes of February 7. Representative Cox seconded the motion. The motion carried.

The meeting adjourned at 4:30 p.m. The next meeting is scheduled for February 13, 1996.



STATE OF KANSAS

DARLENE CORNFIELD  
REPRESENTATIVE, 90TH DISTRICT  
SEDGWICK COUNTY  
7 WEATHERLY COURT  
(316) 755-0543  
VALLEY CENTER, KANSAS 67147



TOPEKA

HOUSE OF  
REPRESENTATIVES

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KPEERS RETIREMENT ISSUES  
STATE CAPITOL—115-S  
TOPEKA, KS 66612-1504  
(913) 296-7682

February 12, 1996

Chairman Bryant and Members of the Committee:

Thank you for the opportunity to testify in support of HB 2874. After numerous discussion with several law enforcement personnel and teachers, it has become apparent that there is a need for this legislation .

This bill would set up a pool for buying professional liability insurance for law enforcement personnel and teachers. At this time the cost of professional liability insurance is very costly to purchase on an individual basis. There is availability to purchase this type of coverage through some professional organizations but you are limited to their provisions and being a member.

In this litigious society we need to provide as many choices and option to these individuals as possible and that is what this legislation will do. I would like to suggest some possible amendments when you work this bill:

1. Add firefighters


HOTLINE (800) 432-3924

*House File*  
*Attachment 1*  
*Feb. 12, 1996*

2. One of the options be a million dollar coverage

3. Payroll deductible

I would ask that you act favorably on this legislation. Thank you.

A handwritten signature in cursive script that reads "Darlene".

Representative Darlene Cornfield

DAVID MAYFIELD, President  
Kansas Highway Patrol  
Yates Center, Kansas 66783

DOUGLAS PECK, President-Elect  
Kansas Highway Patrol  
Emporia, Kansas 66801

FRANK DENNING, Vice-President  
Johnson County Sheriff's Office  
Olathe, Kansas 66202

ALVIN THIMMESCH,  
Secretary-Treasurer  
Kansas Peace Officers' Association  
Wichita, Kansas 67201

O. J. McC  
Sergeant at Arms  
Paola Police Department  
Paola, Kansas 66071

## BOARD OF GOVERNORS

### GOVERNORS AT LARGE

JIM DAILY  
Barton County Sheriff  
Great Bend, Kansas 67530  
NATE SPARKS  
Kansas Highway Patrol  
Junction City, Kansas 66441  
HERB L. COCHRAN  
Kansas Treasury Department  
Wichita, Kansas 67212  
RICHARD L. DUNBAR  
Kansas Lottery Security  
Wichita, Kansas 67202

### GOVERNORS

#### DISTRICT 1

LOREN ANDERSON  
Sheriff, Douglas County  
Lawrence, Kansas 66044  
JAMES "BUD" BURKE  
AT&SFRR Police  
Kansas City, Kansas 66101  
DAVE BURGER  
Lenexa Police Department  
Lenexa, Kansas 66215

#### DISTRICT 2

RANDY THOMAS  
Lyon County Sheriff's Office  
Emporia, Kansas 66801  
DANA KYLE  
Riley County Police Department  
Manhattan, Kansas 66502  
TOM WALTERS  
Kansas Highway Patrol  
Emporia, Kansas 66801

#### DISTRICT 3

DAVE SMITH  
Elsworth Police Department  
Elsworth, Kansas 67439  
JOHN W. KERR  
Washington County Sheriff's Office  
Washington, Kansas 66968  
ALVIE FURBECK  
Kansas Highway Patrol  
Salina, Kansas 67401

#### DISTRICT 4

LAWRENCE YOUNGER  
Hays Police Department  
Hays, Kansas 67601  
FRANK REESE  
Ellis County Sheriff  
Hays, Kansas 67601  
JOHN CROSS  
Ft. Hays State University Police  
Hays, Kansas 67601

#### DISTRICT 5

RAY MORGAN  
Kearney County Sheriff's Office  
Lakin, Kansas 67860  
DENNIS SHARP  
KS Dept of Wildlife and Parks  
Holcomb, Kansas 67851  
VERNON "SONNY" RALSTON  
Liberal Police Department  
Liberal, Kansas 67905

#### DISTRICT 6

WARREN S. PETERSON  
Barton County Sheriff's Office  
Great Bend, Kansas 67530  
BOYCE MOSES  
Kansas Law Enforcement Training Center  
Hutchinson, Kansas 67504  
DOUG MURPHY  
Kinsley Police Department  
Kinsley, Kansas 67547

#### DISTRICT 7

CRAIG KING  
Cowley County Sheriff's Office  
Winfield, Kansas 67156  
TOM PRUNIER  
Derby Police Department  
Derby, Kansas 67037  
SCOTT MAYFIELD  
Kansas Highway Patrol  
Wichita, Kansas 67226

#### DISTRICT 8

LOWELL PARKER  
Greenwood County Sheriff  
Eureka, Kansas 67045  
CHARLES D. WARD  
KS Dept. of Wildlife and Parks  
Chanute, Kansas 66720  
PHIL SCHLOTTELT  
Coffeyville Police Department  
Coffeyville, Kansas 67337

# Kansas Peace Officers' Association

INCORPORATED

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## House Committee on Financial Institutions & Insurance

February 12, 1996

House Bill No. 2874

Mr. Chairman and Members of the Committee:

My name is Helen Stephens, representing the 3700 members of the Kansas Peace Officers Association.

We are here to support the concept put forth in HB 2874. In your deliberations on this bill, please make certain passage of this would not erode the present statutory entitlement of defense services under the tort claims act and law enforcement's entitlement to \$500,000 in legal services through their agency.

A quick check of law enforcement agencies lets us know this is not something that is a must - but many officers may want to take advantage of this as supplemental coverage.

KPOA does not offer any type of liability insurance through the organization.

Thank you for this opportunity.

*House File  
Attachment 2*

*In Unity There Is Strength*

*February 12, 1996*



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Sue Chase Testimony Before  
House Financial Institutions and Insurance.  
Monday, February 12, 1996

Thank you Mr. Chairman and members of the committee for allowing me to address the Committee on HB 2874. I am Susan Chase and I represent the Kansas National Education Association. We are here to speak in opposition to this bill as it applies to teachers.

When this bill came to our attention, we were truly puzzled as to the necessity of this measure as we had not heard of any problems relating to this issue. After further investigation, we still have not uncovered the need for this bill among the teaching profession.

In talking to members of the insurance industry and the Insurance Commissioner's office, we discovered that professional liability insurance for teachers is a very competitive market and a fairly low risk product for the industry. In Kansas there are at least two major competitors in this market who are more than willing to write policies in this area.

We also know that teachers, as well as all professional employees in school districts, are covered by professional liability insurance obtained by the school district. If an employee is functioning in their capacity, they are covered by the insurance carried by the school district. Secondly, all members of our association, which comprise over two-thirds of the teachers employed in the public schools in the state of Kansas have additional liability coverage as a benefit of their membership. Finally, it is my understanding that teachers can also purchase professional liability insurance as a rider on their home owners policy at a very reasonable rate.

With all of this information, it does not make sense to establish a risk pool for professional liability insurance for teachers; since it is my understanding that these pools are set up to handle very high risk insurance such as flood or earthquake insurance.

I would like to thank the committee for listening to our concerns and ask that you give consideration to not including teachers in this piece of legislation. Since I am not able to speak to the issue of law enforcement officers, I cannot pass judgment on that section of the bill. We see the inclusion of teachers in this type of pool as unnecessary and contrary to the needs of the professional in the classroom.

*Susan Chase*  
*Attachment 3*  
*Feb. 12, 1996*