

Approved: 3/11/97  
Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS.

The meeting was called to order by Chairperson Kent Glasscock at 9:00 a.m. on February 24, 1997, in Room 521-S of the Capitol.

All members were present except: Rep. Larry Campbell, Excused

Committee staff present: Mary Galligan, Legislative Research Department  
Mike Heim, Legislative Research Department  
Dennis Hodgins, Legislative Research Department  
Theresa Kiernan, Revisor of Statutes  
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Mr. Sonny Scroggins, Bias Busters  
Mr. Arthur Solis, American GI Forum of Kansas  
Senator U. L. "Rip" Gooch  
Mr. Troy Scroggins  
Representative Carlos Mayans  
Ms. Sally Thompson, State Treasurer  
Ms. Kathleen Sebelius, Kansas Insurance Commissioner  
Mr. Chris Miller (written only)

Others attending: See attached list

The Minutes of the meetings for February 20, 1997, and February 21, 1997, were distributed. Representative Jim Long made a motion to approve the February 20 and 21 minutes, and Representative Deena Horst seconded. Motion passed.

Chairperson Glasscock opened the Public Hearing for **HB 2175**.

**HB 2175 - Appointment by the Governor of the Commissioner of Insurance and State Treasurer.**

Chairperson Glasscock welcomed Representative Carlos Mayans who spoke as a proponent for **HB 2175**. He said that he supports this legislation because the voters have been asking for ethics and accountability in government. He pointed out three specific problems associated with the debate of "elected" verses "appointed." First, candidates for office not being qualified for the office they seek. Second, campaign contributions to the elected official by people who are regulated by the public official or have contracts with that public official. Third, units of government that are regulatory in nature waste large financial campaign resources to win elected office which does nothing to improve regulation. Rep. Mayans' written testimony also included a brief history of the Kansas Insurance Commissioner. (Attachment 1.)

Chairperson Glasscock called the Committee's attention to the written testimony of Mr. Chris Miller. (Attachment 2.)

Chairperson Glasscock welcomed Ms. Sally Thompson, State Treasurer, who spoke as an opponent of **HB 2175**, which she said proposes a statutory change in the Treasurer's office by making it an appointive and not an elective position. She reported that the State Treasurer's office manages \$10-12 billion annually and that the person who has this kind of responsibility should answer directly to the taxpayers. (Attachment 3.)

The Chair welcomed Ms. Kathleen Sebelius, Commissioner of Insurance, who appeared in opposition to **HB 2175** because she believes this legislation denies the citizens of Kansas their voice in how the insurance industry is regulated. She said that twelve states have an elected Insurance Commissioner and that only two of these twelve elected commissioners came from an industry background. Ms. Sebelius also said that seventeen of the remaining 38 state insurance regulators were previously employed in the insurance industry. She feels that this is indicative that an elected Commissioner is more likely to have a consumer orientation rather than an industry point of view. (Attachment 4.)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS, Room 521-S Statehouse, at 9:00 a.m. on February 24, 1997.

Chairperson Glasscock closed the Public Hearing on HB 2175 since there was no additional testimony.

Chairperson Glasscock opened the Public Hearing on HB 2444.

**HB 2444 - An act establishing the advisory commission on African-American affairs.**

Chairperson Glasscock welcomed Mr. Sonny Scroggins, Bias Busters, who testified as a proponent of HB 2444. He said that he was representing all ethnic groups and that they need a vehicle to help them. Mr. Scroggins applauded Governor Bill Graves' efforts, but said that he believed there was a bias of funding one and not the other.

Several Committee members asked questions concerning the Hispanic Commission and the past history of this legislation. Mr. Scroggins' handout is not included in the Minutes due to copyright laws. To see a copy of his testimony, please make inquiry to the Committee Secretary.

Chairperson Glasscock recognized Mr. Arthur Solis, representing the American GI Forum of Kansas, who spoke in favor of HB 2444. He pointed out that during the 1991 Legislative Session there was a similar bill which was 1991 HB 2283. Mr. Solis said that "ethnic and racial minorities in Kansas have made and continue to make significant and constructive contributions to our State." (Attachment 5)

Chairperson Glasscock welcomed Senator Gooch who said he supports HB 2444, and he complimented the House for taking a stand each time and moving the legislation out--twice in one year. He pointed out that the interim study indicated that a Commission for African-American affairs should be passed and funded.

The Chair welcomed Mr. Troy Scroggins, Chairman Black/Hispanic Caucus of Kansas, who spoke as a proponent of HB 2444. He provided no written testimony, but he had a few comments regarding this perennial thing--HB 2444. Mr. Scroggins said that back in the 1970's the intent was to create a Commission on the Affairs of the Hispanic community which were not being met at the time. He said that in 1990 a similar effort was made to get an African/American Affairs Commission. He urged the members of the Committee to be sensitive to the fact that aging Americans and native Americans have not seriously been addressed either and that he was concerned about their rights, too.

Since there were no other conferees, Chairperson Glasscock closed the Public Hearing on HB 2444.

The Chair asked for the Committee's pleasure on HB 2444. Representative Ruby Gilbert moved that HB 2444 be passed out and marked favorable for passage. Representative Deena Horst seconded. Motion passed.

The meeting adjourned at 10:30 a.m.

The next meeting is scheduled for March 6, 1997.



CARLOS MAYANS

REPRESENTATIVE, 100TH DISTRICT

SEDGWICK COUNTY

1842 N VALLEYVIEW

WICHITA, KS 67212

316-722-0286

STATE CAPITOL—426-S

TOPEKA, KANSAS 66612-1504

913-296-7616

TOLL FREE (DURING SESSION) 1-800-432-3924



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

CHAIRMAN: HEALTH & HUMAN SERVICES

MEMBER: SELECT COMMITTEE ON DEVELOPMENTAL  
DISABILITIES

JOINT COMMITTEE ON HEALTH CARE  
DECISIONS FOR THE 90'S

February 24, 1997

**RE: HB 2175, Appointment by the Governor of the Commissioner of  
Insurance and State Treasurer.**

Mr. Chairman and Members of the Committee.

In the past few years, voters across the state have been asking for **ethics and accountability in government**. Kansans want government to be more responsive to their needs and for political rhetoric to take a "back seat" to efficiency in government. We have also become aware of problems associated with having government officials "elected" rather than "appointed".

Some of the problems associated with the debate of "elected" v "appointed" are:

- a) **Candidates for office not being qualified for the office they seek.**
- b) **Campaign contributions to the elected official by people who are regulated by the public official or have contracts with that public official.**
- c) **Units of government that are regulatory in nature waste large financial campaign resources to win elected office which does nothing to improve regulation.**

It is time that we make government more efficient and accountable!

I ask for your support on **HB 2175**.

A handwritten signature in black ink, appearing to read 'Carlos Mayans'. The signature is stylized and cursive.

House GO and E  
Attachment 1  
2.24.97

# HISTORY OF THE KANSAS INSURANCE COMMISSIONER

## 1871: Chapter 93, sec. 1&2

The department of insurance is established by statute--not by constitutional provision. This indicates that provisions of the office can be changed through legislative procedure.

Also set up in this statute is the office of Superintendent of Insurance, which was originally an **appointed** position.

## 1898: Chapter 18, sec. 1

This is the statute that changed the Superintendent of Insurance to an **elected** position instead of an **appointed** position. The term of office was established as two years.

## 1927: Chapter 231, sec. 40-102

In this statute, the name of the chief officer of the insurance department is changed from Superintendent of Insurance to Commissioner of Insurance.

## Current Law:

The current statute establishes the Commissioner of Insurance as an elected position with a term of four years.

## US STATE INSURANCE COMMISSIONERS: APPOINTED V. ELECTED

Currently the majority of US States have established the Commissioner of Insurance as an appointed position.

**#APPOINTED: 41**

**#ELECTED: 12**

List of individual states and the status of the their Insurance Commissioner is attached.

<u>STATE</u>	<u>TITLE</u>	<u>ELECTED/ APPOINTED</u>	<u>REPORTS TO</u>	<u>OTHER DUTIES</u>
TX	Commissioner	A	State Board of Insurance	
UT	Commissioner	A	Governor	
VT	Commissioner of Banking, Insurance and Securities	A	Governor	Banking, Securities
VI	Commissioner	A	Governor	
VA	Commissioner	A	State Corporation Commissioner	
WA	Commissioner	E	Constituency	
WV	Commissioner	A	Governor	
WI	Commissioner	A	Governor	
WY	Commissioner	A	Governor	

NAIC

3/92

w:\charts\misc\comm

<u>STATE</u>	<u>TITLE</u>	<u>ELECTED/ APPOINTED</u>	<u>REPORTS TO</u>	<u>OTHER DUTIES</u>
NM	Superintendent	A	Corporation Commission	
NY	Superintendent	A	Governor	
NC	Commissioner	E	Constituency	Fire Marshal, Ex-Officio Executive Administrator State Health Plan
ND	Commissioner	E	Constituency	
OH	Director	A	Governor	
OK	Commissioner	E	Constituency	
OR	Director, Dept. of Insurance and Finance	A	Governor	
PA	Commissioner	A	Governor	
PR	Commissioner	A	Secretary of Treasury	
RI	Superintendent of Insurance	A	Dir. of Business Regulation and Insurance Commissioner	Administrator of Health Plan
SC	Commissioner	A	Insurance Commission	
SD	Director	A	Secretary of Commerce and Regulation	
TN	Commissioner of Commerce & Insurance	A	Governor	Fire Marshall

<u>STATE</u>	<u>TITLE</u>	<u>ELECTED/ APPOINTED</u>	<u>REPORTS TO</u>	<u>OTHER DUTIES</u>
KS	Commissioner	E	Constituency	
KY	Commissioner	A	Governor	
LA	Commissioner	E	Constituency	
ME	Superintendent	A	Commissioner, Dept. of Professional & Fin. Regulation	
MD	Commissioner	A	Secretary of Dept. of Licensing & Regulation	
MA	Commissioner	A	Secretary of Consumer Affairs & Business Regulation	
MI	Commissioner	A	Governor	
MN	Commissioner of Commerce	A	Governor	
MS	Commissioner	E	Constituency	Fire Marshal
MO	Director	A	Governor	
MT	Commissioner	E	Constituency	State Auditor/ Commissioner of Securities
NE	Director	A	Governor	Chair, State Claims Board
NV	Commissioner	A	Governor	
NH	Commissioner	A	Governor	
NJ	Commissioner	A	Governor	



**NAIC  
INSURANCE REGULATORS:  
TITLES, SUPERVISORY AGENCIES, OTHER RESPONSIBILITIES**

<u>STATE</u>	<u>TITLE</u>	<u>ELECTED/ APPOINTED</u>	<u>REPORTS TO</u>	<u>OTHER DUTIES</u>
AL	Commissioner	A	Governor	
AK	Director	A	Commissioner of Commerce & Econ. Development	
AZ	Director	A	Governor	
AR	Commissioner	A	Governor	
CA	Commissioner	E	Constituency	
CO	Commissioner	A	Governor	
CT	Commissioner	A	Governor	
DE	Commissioner	E	Constituency	
DC	Superintendent	A	Mayor	
FL	Commissioner	E	Constituency	Treasurer/Fire Marshal
GA	Commissioner	E	Constituency	Fire Safety Commissioner; Industrial Loan Commissioner
HI	Commissioner	A	Director, Dept. of Commerce & Consumer Affairs	
ID	Director	A	Governor	
IL	Director	A	Governor	
IN	Commissioner	A	Governor	
IA	Commissioner	A	Director of Commerce	

HOUSE BILL No. 2855

By Representatives Sebelius and Schauf

2-7

9 AN ACT concerning state officers; providing for gubernatorial ap-  
10 pointment of the state treasurer and the commissioner of insur-  
11 ance; amending K.S.A. 25-101, 25-101a, 25-213, 25-4001, 40-102,  
12 40-105, 75-601 and 75-3111a, and repealing the existing sections;  
13 also repealing K.S.A. 25-101b, 40-106 and 75-3108.  
14

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

16 Section 1. On January 14, 1991, K.S.A. 40-102 shall be and is  
17 hereby amended to read as follows: 40-102. (a) There is hereby  
18 established a department to be known as the insurance department,  
19 which shall have a chief officer entitled the commissioner of insurance  
20 who shall receive, except as otherwise provided in K.S.A. 75-  
21 3111a, and amendments thereto, an annual salary of \$50,000,  
22 and such officer be appointed by the governor, subject to confir-  
23 mation by the senate as provided in K.S.A. 75-4315b, and amend-  
24 ments thereto, and who shall serve at the pleasure of the governor.  
25 The commissioner shall be in the unclassified service under the Kan-  
26 sas civil service act and shall receive an annual salary fixed by the  
27 governor. The commissioner of insurance shall be charged with the  
28 administration of all laws relating to insurance, insurance companies  
29 and fraternal benefit societies doing business in this state, and all  
30 other duties which are or may be imposed upon such officer by law.

31 (b) The provisions of the Kansas sunset law apply to the office  
32 of commissioner of insurance and the insurance department estab-  
33 lished by this section and such office and department are subject to  
34 abolition thereunder.

35 Sec. 2. On January 14, 1991, K.S.A. 40-105 shall be and is  
36 hereby amended to read as follows: 40-105. All laws relating to the  
37 powers, duties, authority and jurisdiction of the commissioner of  
38 insurance of this state not hereby repealed are hereby adopted and  
39 the present superintendent of insurance is declared to be the  
40 commissioner of insurance for the term for which he was  
41 elected as such superintendent validated. All pending actions  
42 brought by or against the superintendent commissioner of insurance  
43 may be continued without change in title and shall be binding upon

1 he parties to the same extent as though substitution of his new  
 2 style of office had the commissioner's new style of selection had  
 3 not been made. All insurance companies as defined in section 40-  
 4 201 of this code and fraternal benefit societies which have been  
 5 heretofore granted charters by the state charter board and which  
 6 are now licensed by the superintendent commissioner of insurance  
 7 shall be deemed legally organized and existing and shall be in no  
 8 way affected by any provision of this act concerning the organi-  
 9 zation of such companies or fraternal benefit societies.

10 Sec. 3. On January 14, 1991, K.S.A. 75-601 shall be and is  
 11 hereby amended to read as follows: 75-601. (a) The state treasurer  
 12 shall be appointed by the governor, subject to confirmation by the  
 13 senate as provided in K.S.A. 75-4315b, and amendments thereto.  
 14 The state treasurer shall serve at the pleasure of the governor, shall  
 15 be in the unclassified service under the Kansas civil service act, and  
 16 shall receive an annual salary fixed by the governor. Before entering  
 17 upon the duties of office, the state treasurer shall take and subscribe  
 18 the proper official oath, and such official oath shall be filed and  
 19 recorded in the office of the secretary of state.

20 (b) All laws relating to the powers, duties, authority and juris-  
 21 diction of the state treasurer are hereby adopted and validated. All  
 22 pending actions brought by or against the state treasurer may be  
 23 continued without change and shall be binding upon the parties to  
 24 the same extent as though substitution of the state treasurer's new  
 25 style of selection had not been made.

26 Sec. 4. On January 14, 1991, K.S.A. 75-3111a shall be and is  
 27 hereby amended to read as follows: 75-3111a. (a) Whenever the  
 28 rates of compensation of the pay plan for persons in the classified  
 29 service under the Kansas civil service act are increased for payroll  
 30 periods chargeable to fiscal years commencing after June 30,  
 31 1986, the annual salary of the governor, the lieutenant governor,  
 32 the attorney general, and the secretary of state, the state treasurer  
 33 and the commissioner of insurance shall be increased by an  
 34 amount, adjusted to the nearest dollar, computed by multiplying the  
 35 average of the percentage increases in all monthly steps of such pay  
 36 plan by the annual salary of the elected state officer which is being  
 37 received as provided by law and which is in effect prior to the  
 38 effective date of such increase in the rates of compensation of the  
 39 pay plan for persons in the classified service under the Kansas civil  
 40 service act.

41 (b) Whenever the rates of compensation of the pay plan for  
 42 persons in the classified service under the Kansas civil service  
 43 act are increased for payroll periods chargeable to fiscal years

1 commencing after June 30, 1985, the annual salary of the lieu-  
 2 tenant governor shall be increased by an amount, adjusted to  
 3 the nearest dollar, computed by multiplying the average of the  
 4 percentage increases in all monthly steps of such pay plan by  
 5 the annual salary of the lieutenant governor officer which is  
 6 being received as provided by law and which is in effect prior  
 7 to the effective date of such increase in the rates of compen-  
 8 sation of the pay plan for persons in the classified service under  
 9 the Kansas civil service act.

10 Section 5. K.S.A. 25-101 is hereby amended to read as follows:  
 11 25-101. On the Tuesday succeeding the first Monday in November  
 12 of each even-numbered year, there shall be held a general election  
 13 to elect officers as follows:

14 At each alternate election, prior to the year in which the term of  
 15 office of the president and vice-president of the United States will  
 16 expire, there shall be elected the electors of president and vice-  
 17 president of the United States to which the state may be entitled  
 18 at the time of such election;

19 at each such election, when the term of a United States senator  
 20 for this state shall expire during the next year, there shall be elected  
 21 a United States senator;

22 at each such election there shall be elected the representatives in  
 23 congress to which the state may be entitled at the time of such  
 24 election;

25 at each alternate election, prior to the year in which their regular  
 26 terms of office will expire, there shall be elected a governor, lieu-  
 27 tenant governor, secretary of state, and attorney general, state treas-  
 28 urer and state commissioner of insurance;

29 at each such election there shall be elected such members of the  
 30 state board of education as provided by law;

31 at each such election, when, in a judicial district in which judges  
 32 of the district court are elected, the term of any district judge expires  
 33 during the next year, or a vacancy in a district judgeship has been  
 34 filled by appointment more than 30 days prior to the election, there  
 35 shall be elected a district judge of such judicial district;

36 at each such election, when, in a judicial district in which judges  
 37 of the district court are elected, the term of any district magistrate  
 38 judge expires during the next year, or a vacancy in a district mag-  
 39 istrate judgeship has been filled by appointment more than 30 days  
 40 prior to the election, there shall be elected a district magistrate  
 41 judge of such judicial district;

42 at each alternate election, prior to the year in which the regular  
 43 term of office of state senators shall expire, there shall be elected

6-1  
7

1 a state senator in each state senatorial district;  
2 at each election there shall be elected a representative from each  
3 state representative district;

4 at each alternate election there shall be elected, in each county,  
5 a county clerk, county treasurer, register of deeds, county or district  
6 attorney, sheriff and such other officers as provided by law;

7 at each alternate election, in counties that may by law be entitled  
8 to elect such officer, there shall be elected a county surveyor;

9 at each election, when the term of county commissioner in any  
10 district in any county shall expire during the next year, there shall  
11 be elected from such district a county commissioner.

12 This section shall apply to the filling of vacancies only so far as  
13 is consistent with the provisions of law relating thereto.

14 Sec. 6. K.S.A. 25-101a is hereby amended to read as follows:  
15 25-101a. On the Tuesday succeeding the first Monday in November  
16 in ~~1978~~ 1990, and each four (4) years thereafter, there shall be  
17 elected a governor and lieutenant governor running together, a sec-  
18 retary of state, and an attorney general, a state treasurer and a  
19 state commissioner of insurance.

20 Sec. 7. K.S.A. 25-213 is hereby amended to read as follows: 25-  
21 213. At all national and state primary elections, the national and  
22 state offices as specified for each in this section shall be printed  
23 upon the official primary election ballot for national and state offices  
24 and the county and township offices as specified for each in this  
25 section shall be printed upon the official primary election ballot for  
26 county and township offices. The official primary election ballots shall  
27 have the following heading:

28 OFFICIAL PRIMARY ELECTION BALLOT

29 \_\_\_\_\_ Party

30 To vote for a person whose name is printed on the ballot make a cross or check  
31 mark in the square at the right of the person's name. To vote for a person whose  
32 name is not printed on the ballot, write the person's name in the blank space, if  
33 any is provided, and make a cross or check mark in the square to the right.

34 The words national and state or the words county and township  
35 shall appear on the line preceding the part of the form shown above.

36 The form shown shall be followed by the names of the persons  
37 for whom nomination petitions or declarations have been filed ac-  
38 cording to law for political parties having primary elections, and for  
39 ne national and state offices in the following order: United States  
40 senator, United States representative from \_\_\_\_\_ district, gover-  
41 nor and lieutenant governor, secretary of state, attorney general,  
42 state treasurer, commissioner of insurance, senator \_\_\_\_\_ dis-  
43 trict, representative \_\_\_\_\_ district, district judge \_\_\_\_\_ district,

1 district magistrate judge \_\_\_\_\_ district, district attorney \_\_\_\_\_  
2 judicial district, and member state board of education \_\_\_\_\_  
3 district. For county and township offices the form shall be followed  
4 by the names of persons for whom nomination petitions or declara-  
5 tions have been filed according to law for political parties having  
6 primary elections in the following order: commissioner \_\_\_\_\_ dis-  
7 trict, county clerk, treasurer, register of deeds, county attorney,  
8 sheriff, surveyor, township trustee, township treasurer, township  
9 clerk. When any office is not to be elected, it shall be omitted from  
10 the ballot. Other offices to be elected but not listed, shall be inserted  
11 in the proper places. For each office there shall be a statement of  
12 the number to vote for.

13 To the right of each name there shall be printed a square. Official  
14 primary election ballots may be printed in one or more columns.  
15 The names certified by the secretary of state or county election  
16 officer shall be printed on official primary election ballots and no  
17 others. In case there are no nomination petitions or declarations on  
18 file for any particular office, the title to the office shall be printed  
19 on the ballot followed by a blank line with a square, and such title,  
20 followed by a blank line, may be printed in the list of candidates  
21 published in the official paper. No blank line shall be printed fol-  
22 lowing any office where there are nomination petitions or declarations  
23 on file for the office except following the offices of precinct com-  
24 mitteeman and precinct committeewoman. Except as otherwise pro-  
25 vided in this section, no person's name shall be printed more than  
26 once on either the official primary election ballot for national and  
27 state offices or the official primary election ballot for county and  
28 township offices. No name that is printed on the official primary  
29 election ballot as a candidate of a political party shall be printed or  
30 written in as a candidate for any office on the official primary election  
31 ballot of any other political party. If a person is a candidate for the  
32 unexpired term for an office, the person's name may be printed on  
33 the same ballot as a candidate for the next regular term for such  
34 office. The name of any candidate on the ballot may be printed on  
35 the same ballot as such candidate and also as a candidate for precinct  
36 committeeman or committeewoman. No name that is printed on the  
37 official primary election ballot for national and state offices shall be  
38 printed or written in elsewhere on such ballot or on the official  
39 primary election ballot for county and township offices except for  
40 precinct committeeman or committeewoman. No name that is  
41 printed on the official primary election ballot for county and township  
42 offices shall be printed or written in on the official primary election  
43 ballot for national and state offices or elsewhere on such county and

1 township ballot except for precinct committeeman or  
2 committeewoman.

3 No person shall be elected to the office of precinct committeeman  
4 or precinct committeewoman where no nomination petitions or dec-  
5 larations have been filed, unless the person receives at least five  
6 write-in votes. As a result of a primary election, no person shall  
7 receive the nomination and no person's name shall be printed on  
8 the official general election ballot when no nomination petitions or  
9 declarations were filed, unless the person receives votes equal in  
10 number to not less than 10% of the total vote cast for all candidates  
11 for such party's nomination for governor in the state, county or  
12 district in which the office is sought at the primary election preceding  
13 the last general election of governor, except that a candidate for  
14 township office may receive the nomination and have such person's  
15 name printed on the ballot where no nomination petitions or dec-  
16 larations have been filed if such candidate receives three or more  
17 write-in votes.

18 Sec. 8. K.S.A. 25-4001 is hereby amended to read as follows:  
19 25-4001. The governor, lieutenant governor, secretary of state, *and*  
20 attorney general, ~~state treasurer and commissioner of insurance~~  
21 shall be elected for terms of four (4) years, to begin on the second  
22 Monday of January next after their election, and until their successors  
23 are elected and qualified.

24 Sec. 9. K.S.A. 25-101, 25-101a, 25-101b, 25-213 and 25-4001 are  
25 hereby repealed.

26 Sec. 10. On January 14, 1991, K.S.A. 40-102, 40-105, 40-106,  
27 75-601, 75-3108 and 75-3111a shall be and are hereby repealed.

28 Sec. 11. This act shall take effect and be in force from and after  
29 its publication in the Kansas register.

CHRIS MILLER  
ATTORNEY AT LAW  
645 COUNTRY CLUB TERRACE  
POST OFFICE BOX 1265  
LAWRENCE, KANSAS 66044  
TELEPHONE : 913-841-6245  
FAX : 913-841-6448

WORKERS' COMPENSATION LAW  
PERSONAL INJURY LAW

February 21, 1997

The Honorable Kent Glasscock  
State Representative  
Statehouse  
Topeka, Kansas 66612

Re: House Bill 2175  
Appointment of Insurance Commissioner  
Chris Miller, et. al. vs. Kathleen G. Sebelius, et. al.  
Shawnee County District Court Case 97 CV 48

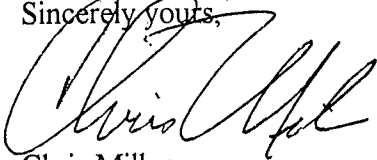
Dear Representative Glasscock:

It is my understanding that your committee is considering House Bill 2175, relating to a change in the selection of the Insurance Commissioner and State Treasurer, from elective to appointive offices. While I have no experience with the State Treasurer's office, I do have a great deal of experience with the Insurance Commissioner's office.

I am enclosing a copy of my Petition, with regard to the above-reference lawsuit, presently pending in Shawnee County District Court. I believe the lawsuit clearly underscores the extent to which the present Insurance Commissioner has politicized the office, as well as the extent to which she has used the office to her own political advantage.

If I can provide further information to the committee, I would be happy to do so.

Sincerely yours,



Chris Miller

CM:sl

House GO and E  
Attachment 2  
2.24.97

IN THE DISTRICT COURT OF DOUGLAS COUNTY, KANSAS  
CIVIL COURT DEPARTMENT

FILED  
SEP 6 3 08 PM '55  
DISTRICT COURT  
DOUGLAS COUNTY  
KANSAS

LITTLE & MILLER, CHTD.,  
a Kansas Corporation,

and

CHRISTOPHER R. P. MILLER,  
a/k/a Chris Miller,  
Plaintiffs,

vs.

Case No.: 96 C 343  
Division No.: IV

KATHLEEN G. SEBELIUS,  
Individually, and in her official  
capacity as Administrator of the  
Kansas Worker's

and

MR. ROBERT L. KENNEDY, JR.,  
Individually, and in his official  
capacity as Assistant Commissioner of  
Insurance for the State of Kansas,

and

MS. PAULA GREATHOUSE,  
In her official capacity as Supervising  
Attorney for the Kansas Worker's  
Compensation Fund,

and

MR. BRIAN MOLINE,  
Individually, and in his official  
capacity as Chief Attorney, for the  
Kansas Insurance Department,

and

THE KANSAS WORKER'S )  
 COMPENSATION FUND, )  
 )  
 and )  
 )  
 JOHN DOE, )  
 Individually, and in his official )  
 capacity, as an employee or independent )  
 contractor with the Kansas Worker's )  
 Compensation Fund, the Kansas Insurance )  
 Department, or the State of Kansas. )

---

PETITION

COME NOW the Plaintiffs in the above-entitled action, and for their causes of action against the Defendants, state as follows:

1. The Plaintiff, Little & Miller, Chtd. (hereinafter referred to as Little & Miller), is a professional corporation, of duly licensed attorneys at law, authorized to do business in the State of Kansas, and is doing business in the State of Kansas.

2. The Plaintiff, Little & Miller, principle place of business is 645 Country Club Terrace, Lawrence, Douglas County, Kansas.

3. The Plaintiff, Christopher R.P. Miller, (hereinafter referred to as Miller), is an individual attorney, President of the Plaintiff, Little & Miller, and is licensed to practice law in the State of Kansas.

4. The Plaintiff Miller, also known as Chris Miller, is a resident of the State of Kansas, and the County of Douglas.

5. The Defendant Kathleen G. Sebelius, (hereinafter



referred to as Sebelius), individually, resides at 224 S.W. Greenwood, Topeka, Shawnee County, Kansas, and may be served with process at that address.

6. The Defendant, Kathleen G. Sebelius, in her official capacity as Administrator of the Kansas Worker's Compensation Fund, has her primary office at 420 S.W. 9th Street, Topeka, Shawnee County, Kansas, 66612, and may be served with process at that address.

7. The Defendant, Robert L. Kennedy, Jr., (hereinafter referred to as Kennedy), individually, resides at 2043 New Hampshire, Lawrence, Douglas County, Kansas 66046, and may be served with process at that address.

8. The Defendant, Robert L. Kennedy, Jr., in his official capacity as Assistant Commissioner of Insurance for the State of Kansas, has his primary office at the Kansas Insurance Department, 420 S.W. 9th Street, Topeka, Shawnee County, Kansas, 66612, and he may be served with process at that address.

9. The Defendant, Paula Greathouse, (hereinafter referred to as Greathouse), in her official capacity as Supervising Attorney for the Kansas Worker's Compensation Fund, has her primary office at the Kansas Insurance Department, 420 S.W. 9th Street, Topeka, Shawnee County, Kansas, 66612, and she may be served with process at that address.

10. The Defendant, Brian Moline, (hereinafter referred to as Moline), individually, resides at 2532 S.W. Granthurst, Topeka,

Shawnee County, Kansas 66601, and he may be served with process at that address.

11. The Defendant Moline, in his official capacity as Chief Attorney for the Kansas Insurance Department, has his primary office at 420 S.W. 9th Street, Topeka, Shawnee County, Kansas, 66612, and he may be served with process at that address.

12. The Defendant, the Kansas Worker's Compensation Fund's, (hereinafter referred to as The Fund), office is located at 420 S.W. 9th Street, Topeka, Shawnee County, Kansas, 66612, and it may be served with process by serving the duly elected Commissioner of Insurance, at that address, pursuant to K.S.A. 44-569.

#### COUNT I

Paragraphs numbered 1 through 12 are incorporated as if more fully set out herein.

13. The Defendant, The Fund, through its duly authorized legal representatives, entered into an agreement with the Plaintiff's legal predecessor in interest, Chris Miller d/b/a The Law Offices of Chris Miller, for legal representation in connection with numerous legal disputes involving the Defendant, The Fund.

14. That agreement was first reached on or about January 4, 1986. It provided that the Plaintiff's predecessor in interest would receive, for its legal services, sixty dollars (\$60.00) per hour for attorney time spent representing the Defendant, The Fund, as well as thirty dollars (\$30.00) per hour for legal assistant

time spent on behalf of the Defendant, The Fund, and reimbursement of expenses incurred, for the same purposes.

15. On or about February 7, 1991, the Plaintiff, Little & Miller, was established and the contractual agreement set forth above continued, on the same terms, between the Plaintiff, Little & Miller, and the Defendant, The Fund.

16. Pursuant to the terms of the contractual agreement set forth above, between January 4, 1986 and May 5, 1995, Defendant, The Fund, through its representatives, notified the Plaintiffs of its desire to engage the services of the Plaintiffs, with regard to defending its interests in connection with a number of worker's compensation cases more fully set forth on the attached listing, Exhibit A, and incorporated herein by reference.

17. Since January 4, 1986, the Plaintiffs have provided legal services and advanced expenses, on behalf of the Defendant, The Fund, in connection with defending that entity in those cases listed on Exhibit A, as well as other legal matters.

18. The Plaintiffs are entitled to payment for legal services provided and reimbursement of expenses incurred on behalf of the defendant, The Fund, in connection with the cases listed on Exhibit A and as set forth on Exhibit A.

19. Despite repeated demand by the Plaintiff's, the Defendant, The Fund, has refused to comply with the terms of its contract for legal services with the Plaintiffs, by refusing to pay the Plaintiffs for their services as rendered, as set forth on

Exhibit A.

20. Itemized billing statements underlying the amounts set forth on Exhibit A were delivered by the Plaintiffs to the Defendant, The Fund, at various times between May 15, 1995 and June 21, 1995, as indicated on Exhibit A, and a written request for payment of those obligations was made on September 21, 1995, pursuant to K.S.A. 75-6403(c)(1).

21. Pursuant to K.S.A. 75-6403, the Plaintiffs are entitled to an interest penalty equal to one and one-half (1 1/2%) per month, commencing with the dates the individual bills listed on Exhibit A were delivered to the Defendant, The Fund, on the amounts set forth on Exhibit A, as well as on the accrued interest penalty, as prescribed by that statute.

22. Wherefore, the plaintiffs are entitled to judgment against the Defendant, The Fund, in an amount equal to the total of the amounts set forth on Exhibit A, plus interest accrued pursuant to K.S.A. 75-6403.

#### COUNT II

Paragraphs numbered 1 through 22 are incorporated as if more fully set out herein.

23. The Defendant Sebelius, in her official capacity as Administrator of the Kansas Worker's Compensation Fund, is the duly elected Commissioner of Insurance for the State of Kansas, having officially assumed those duties on January 9, 1995.

24. As the Commissioner of Insurance, the Defendant

Sebelius, in her official capacity, is charged by statute with the responsibility of administering the Defendant, The Fund, pursuant to K.S.A. 44-566 and K.S.A. 44-569.

25. As Commissioner of Insurance, the Defendant Sebelius, in her official capacity, through her representatives, ratified the contractual agreement, described above, between the Plaintiffs and the Defendant, The Fund.

26. Between January 9, 1995 and May 5, 1995, the Defendant Sebelius, in her official capacity, performed acts of ratification of that agreement from time to time, both orally and in writing.

27. Pursuant to the contractual agreement set forth above, as ratified by the Defendant Sebelius, in her official capacity, through her representatives, the Plaintiffs performed legal services and incurred expenses on behalf of the Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, as set forth on Exhibit A, attached hereto, and incorporated by reference herein.

28. In accordance with Exhibit A, the Plaintiffs are entitled to payment for their services rendered to the Defendant Sebelius, as Administrator of the Kansas Worker's Compensation fund, as set forth thereon.

29. Despite repeated demands by the Plaintiffs, Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, has refused to comply with the terms of the contract for legal services with the Plaintiffs, by refusing to pay the

Plaintiffs for their services or expenses incurred on her behalf, as Administrator of the Kansas Worker's Compensation Fund.

30. Itemized billing statements underlying the amounts set forth on Exhibit A were delivered to Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, at various times between May 15, 1995 and June 21, 1995, as set forth on Exhibit A, and written request for payment of those obligations was made on September 21, 1995, pursuant to K.S.A. 75-6403(c)(1).

31. Pursuant to K.S.A. 75-6403, the Plaintiffs are entitled to an interest penalty from Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, equal to one and one-half percent (1 1/2%) per month, commencing with the dates the bills listed on Exhibit A which were delivered to Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, on the amounts set forth on Exhibit A, as well as on the accrued interest penalty, as prescribed by that statute.

32. Wherefore, the Plaintiffs are entitled to Judgment against Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, in an amount equal to the amounts set forth on Exhibit A, plus interest accrued, pursuant to K.S.A. 75-6403.

COUNT III

Paragraphs 1 through 32 are incorporated as if more fully set out herein.

33. As set forth above, the Defendant, The Fund, entered into an agreement with the Plaintiffs to provide legal representation to the Defendant, The Fund, in connection with various worker's compensation claims.

34. From time-to-time between January 4, 1986 and January 9, 1995, the Defendant, The Fund, in accordance with its contractual agreement with the Plaintiffs and their legal predecessor in interest, assigned certain worker's compensation claims to the Plaintiffs, requesting that the Plaintiffs represent the interest of the Defendant, The Fund, in connection with those matters.

35. Through its legal representatives, the Defendant, The Fund, through both oral and written communications with the Plaintiffs, confirmed its intention and the parties' agreement the Plaintiffs would continue representing the Kansas Worker's Compensation Fund with regard to those matters previously assigned to the Plaintiffs, as long as the Plaintiffs properly and adequately represented the interests of the Kansas Worker's Compensation Fund.

36. Throughout the time the Plaintiffs and their predecessor in interest represented Defendant, The Fund, the Plaintiffs and their predecessor in interest zealously represented the Kansas Worker's Compensation Fund with regard to all of the matters assigned to it.

37. Despite the fact the Plaintiffs complied with the terms

of its agreement with the Defendant, The Fund, on or about May 5, 1995, Defendant, The Fund, without just cause, breached the terms of its agreement with the Plaintiffs by demanding the Plaintiffs discontinue their representation of Defendant, The Fund, and return all files pertaining to those matters previously assigned to Plaintiffs for representation of the Kansas Worker's Compensation Fund.

38. But for the breach of the agreement by Defendant, The Fund, the Plaintiffs would have for their continued services to the Kansas Worker's Compensation Fund, in connection with those matters assigned to the Plaintiffs for defense, been entitled to receive attorney fees, in the approximate amount of three hundred seventy-five thousand nine hundred dollars (\$375,900.00).

39. As a result of Defendant, The Fund's breach of its agreement with the Plaintiffs, the Plaintiffs have lost the benefit of payment for legal services, in the amount of approximately three hundred seventy-five thousand nine hundred dollars (\$375,900.00).

40. The Plaintiffs damages suffered as a result of Defendant, The Fund's breach of its contractual agreement with the Plaintiffs represent a liquidated claim.

41. Pursuant to K.S.A. 16-201, the Plaintiff is entitled to prejudgment interest on its damages, in the amount set forth in the statute.

42. Wherefore, the Plaintiff is entitled to Judgment



against Defendant, The Fund, in the amount of three hundred seventy-five thousand nine hundred dollars (\$375,900.00), plus prejudgment interest, pursuant to K.S.A. 16-201.

COUNT IV

Paragraphs 1 through 42 are incorporated as if more fully set out herein.

43. As set forth above, Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, entered into and ratified an agreement with the Plaintiffs to provide legal representation to Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, in connection with various worker's compensation claims.

44. From time-to-time between January 9, 1995 and May 5, 1995, Defendant Sebelius, as Administrator of the Kansas Worker's Compensation fund, through her representatives, and in both oral and written communication with the Plaintiffs, confirmed her intention and the parties agreement the Plaintiffs would continue representing the Kansas Worker's Compensation Fund with regard to those matters previously assigned to Plaintiffs, as long as the Plaintiffs properly and adequately represented the interests of the Kansas Worker's Compensation Fund.

45. Throughout the time the Plaintiffs represented Defendant, Sebelius, as Administrator of the Kansas Worker's Compensation Fund, the Plaintiffs zealously represented Defendant Sebelius, as Administrator of the Kansas Worker's Compensation

Fund, with regard to all matters assigned to it.

46. Despite the fact the Plaintiffs complied with the terms of their agreement with the Defendant, The Fund, and Sebelius, as Administrator of the Kansas Worker's Compensation Fund, without just cause, breached the terms of the agreement with the Plaintiffs by demanding the Plaintiffs discontinue representing Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund and return the files pertaining to those matters previously assigned to the Plaintiffs for representation of the Kansas Worker's Compensation Fund.

47. But for the breach of the agreement by Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, the Plaintiffs would have continued their services to the Kansas Worker's Compensation Fund, in connection with those matters previously assigned to Plaintiff for defense, been entitled to receive attorney fees, in the amount of approximately three hundred seventy-five thousand nine hundred dollars (\$375,900.00).

48. As a result of Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund's breach of the agreement with the Plaintiffs, the Plaintiffs have lost the benefit of payment for legal services, in the amount of approximately three hundred seventy-five thousand nine hundred dollars (\$375,900.00).

49. The Plaintiffs' damages suffered as a result of Defendant Sebelius, as Administrator of the Kansas Worker's

Compensation Fund's breach of her contractual agreement with the Plaintiffs represent a liquidated claim.

50. Pursuant to K.S.A. 16-201, the Plaintiffs are entitled to prejudgment interest on their damages, in the amount set forth in that statute.

51. Wherefore, the Plaintiffs are entitled to Judgment against Defendant Sebelius, as Administrator of the Kansas Worker's Compensation Fund, in the amount of three hundred seventy-five thousand nine hundred dollars (\$375,900.00), plus prejudgment interest, pursuant to K.S.A. 16-201.

#### COUNT V

Paragraphs 1 through 51 are incorporated as if more fully set out herein.

52. The Defendant, The Fund, through its duly authorized legal representatives, entered into an agreement with the Plaintiffs' legal predecessor in interest, Chris Miller d/b/a The Law Offices of Chris Miller, for legal representation in connection with numerous legal disputes involving the Defendant, The Fund.

53. The agreement was first reached on or about January 4, 1986. It provided the Plaintiffs' predecessor in interest would receive, for its legal services, sixty dollars (\$60.00) per hour for attorney time spent representing the Defendant, the Kansas Worker's Compensation Fund, as well as thirty dollars (\$30.00) per hour for legal assistant time spent on behalf of the Defendant,

the Kansas Worker's Compensation Fund, and reimbursement of expenses incurred, for the same purpose.

54. Sometime prior to May 5, 1995, all named Defendants unjustly determined Plaintiff Miller and Plaintiff Little & Miller, would no longer be permitted to represent the Kansas Worker's Compensation Fund, as set forth above.

55. On or about May 5, 1995, Defendant Kennedy, individually, and in his official capacity as Assistant Commissioner of Insurance for the State of Kansas, acting on behalf of all named defendants, notified the Plaintiffs of the termination of their contract to represent the Kansas Worker's Compensation Fund.

56. The actions of all named Defendants in wrongfully terminating Plaintiffs contract, were in retaliation for Miller's political activities during the 1994 election for Kansas Insurance Commissioner.

57. The actions of the all named Defendants in wrongfully terminating Plaintiffs contract in retaliation for Miller's political activities during the 1994 election for Kansas Insurance Commissioner, constitute retaliatory discharge of the Plaintiffs in violation of Kansas common law.

58. The actions of all the Defendants in wrongfully terminating the Plaintiffs contract, as set forth above, were undertaken intentionally, maliciously and with reckless disregard of the rights of the Plaintiffs.

59. Wherefore, as a result of the actions of Defendants Sebelius and Kennedy, both individually and in their official capacities, as well as those of all the other named Defendant's, in wrongfully terminating Plaintiffs contract, Plaintiff Miller and Plaintiff Little & Miller have suffered damages in excess of fifty thousand dollars (\$50,000.00), as well as incurred attorney fees and other expenses.

COUNT VI

Paragraphs 1 through 59 are incorporated as if more fully set out herein.

60. The Defendant, The Fund, through its duly authorized legal representatives, entered into an agreement with the Plaintiffs' legal predecessor in interest, Chris Miller d/b/a The Law Offices of Chris Miller, for legal representation in connection with numerous legal disputes involving the Defendant, the Kansas Worker's Compensation Fund.

61. The agreement was first reached on or about January 4, 1986. It provided the Plaintiffs' predecessor in interest would receive, for its legal services, sixty dollars (\$60.00) per hour for attorney time spent representing the Defendant, the Kansas Worker's Compensation Fund, as well as thirty (\$30.00) per hour for legal assistant time spent on behalf of the Defendant, The Fund, and reimbursement of expenses incurred, for the same purpose.

62. Sometime prior to May 5, 1995, all the named Defendants

unjustly determined the Plaintiff Miller and Plaintiff Little & Miller, would no longer be permitted to represent the Kansas Worker's Compensation Fund, as set forth above.

63. On or about May 5, 1995, all the named Defendants wrongfully terminated the contract of the Plaintiffs to represent the Kansas Worker's Compensation Fund.

64. The actions of all named Defendants in wrongfully terminating the Plaintiffs' contract were in retaliation for Miller's political activities during the 1994 election for Kansas Insurance Commissioner.

65. The actions of all the named Defendants in wrongfully terminating the Plaintiffs' contract in retaliation for Miller's political activities during the 1994 election for Kansas Insurance Commissioner were taken under color of state law, statute, ordinance, regulation, custom or usage.

66. The actions of all the named Defendants in wrongfully terminating the Plaintiffs' contract in retaliation for Miller's political activities during the 1994 election for Kansas Insurance Commissioner deprived, and are an attempt to continue to deprive, the Plaintiff Miller of his rights of free speech.

67. The right to free speech is secured by the First and Fourteenth Amendments of the Constitution of the United States, and protected by the Civil Rights Act of 1994, as amended, 42 U.S.C. Sec. 2000e et. seq., 42 U.S.C. Sec. 1983 and 28 U.S.C. Sec 1343.

68. By wrongfully terminating Plaintiffs' contract in retaliation for Plaintiff Miller lawfully exercising his rights to free speech as described above, all the named Defendants have willfully and unlawfully obstructed and/or interfered with Plaintiff Miller's civil rights.

69. The actions of the Defendants in wrongfully terminating the Plaintiffs' contract, as set forth above, were undertaken intentionally, maliciously, and with reckless disregard of the civil rights of the Plaintiff Miller.

70. Wherefore, as a result of the actions of the Defendants in wrongfully terminating the Plaintiffs' contract in retaliation for Plaintiff Miller's exercise of his constitutionally protected right to free speech, the Plaintiff Miller has suffered damages in excess of fifty thousand dollars (\$50,000.00), as well as incurred attorney's fees and expenses.

#### COUNT VII

Paragraphs 1 through 70 are incorporated as if more fully set out herein.

71. The Defendant, The Fund, through its duly authorized legal representatives, entered into an agreement with the Plaintiffs legal predecessor in interest, Chris Miller, d/b/a The Law Offices of Chris Miller, for legal representation in connection with numerous legal disputes involving the Defendant, The Fund.

72. That agreement was first reached on or about January 4,

1986. It provided that the Plaintiffs predecessor in interest would receive, for its legal services, sixty dollars (\$60.00) per hour for attorney time spent representing the Defendant, The Fund, as well as thirty dollars (\$30.00) per hour for legal assistant time spent on behalf of the Defendant, The Fund, and reimbursement of expenses incurred for the same purpose.

73. Sometime prior to May 5, 1995, all the named Defendants unjustly determined the Plaintiff Miller and the Plaintiff Little and Miller, would no longer be permitted to represent the Kansas Worker's Compensation Fund, as set forth above.

74. On or about May 5, 1995, all of the named Defendants wrongfully terminated the contract of the Plaintiffs to represent the Worker's Compensation Fund.

75. The actions of all of the named Defendants in wrongfully terminating the Plaintiffs contract were in retaliation for Plaintiff Miller's political activities during the 1994 election for the Kansas Insurance Commissioner.

76. Following the wrongful termination of the Plaintiffs contract, as set forth above, all of the named Defendants deliberately and maliciously disseminated and caused to be published false, libelous and defamatory statements with regard to the Plaintiffs. These statements were published by all the named Defendants with the knowledge the defamatory statements were false or with reckless disregard of whether these statements were false or not.



77. On or about September 15, 1995, Defendant Sebelius, individually and in her official capacity as Administrator of The Kansas Worker's Compensation Fund, caused to be published a news release which stated the Plaintiffs had "abused" the second injury fund; employed "flagrant billing practices"; the Plaintiffs billing practices "amount to a betrayal of public trust and deserve further scrutiny"; Plaintiffs "have been paid far more over the past six years than any other attorney or firm representing the Fund"; the Plaintiffs "bills were more than twice the average fee for his cases than the average of the rest of the attorneys for the Fund"; and the Plaintiffs had "been double paid for some previous billings to the Fund.

78. On September 15, 1995, Defendant Sebelius, individually and in her official capacity as Administrator of the Kansas Worker's Compensation Fund, in a news conference in her office in Topeka, Kansas, made the following false and defamatory statements to members of the broadcast and print media: the Plaintiffs would no longer be handling cases for the Worker's Compensation Fund "due to their flagrant billing practices"; "these practices amount to a betrayal of public trust and deserve further scrutiny"; the Plaintiffs fees were "outrageous"; Plaintiffs could have committed "ethical violations and/or criminal violations"; Plaintiffs were fired because of "flagrantly abusive" billings; that "the people of Kansas will be shocked"; Plaintiffs' billing was "outrageous"; that the "money belongs to the employers of

Kansas"; the Plaintiffs charged an average fee that was "more than twice the average fee per case charged by all other firms"; that Plaintiffs' billings were "suspicious"; and that "employers in the State weren't well served by the continued employment of Mr. Miller".

79. Defendant Sebelius published said false and defamatory statements in a news release for the purpose and with the knowledge that said false and defamatory statements would appear in both the broadcast and print media in the State of Kansas and Missouri.

80. The false and defamatory statements made by the Defendants appeared in the following newspapers: Kansas City Star, August 14, 1995; Topeka Capitol Journal, August 29, 1995; Lawrence Journal World, August 29, 1995; Kansas Insurance Department News Release, September 15, 1995; Topeka Capitol Journal, September 16, 1995; Lawrence Journal World, September 16, 1995; Topeka Capitol Journal, September 16, 1995; Kansas City Star, September 16, 1995; Topeka Capitol Journal, September 19, 1995; Topeka Capitol Journal, September 20, 1995; Topeka Capitol Journal, October 7, 1995; Topeka Capitol Journal, October 26, 1995; Lawrence Journal World, October 26, 1995; Topeka Capitol Journal, November 4, 1995; Lawrence Journal World, December 19, 1995; and Topeka Capitol Journal, December 19, 1995; and reprinted in numerous other publications throughout the State of Kansas.

81. On or about May 25, 1996, Defendant Sebelius,

individually and in her official capacity as Administrator of the Kansas Worker's Compensation Fund, in a interview on Kansas Public Television, made the following false and defamatory statements during the broadcast of said interview on Kansas Public Television: Plaintiffs were "bilking the State"; that Plaintiffs were "billing for attorney work not done"; that "Chris Miller was billing the Fund consistently for two and a half to three times what any other attorney was billing, and collected, by himself, a couple of million dollars out of the Fund over the last several years for \$60.00 an hour legal work. There didn't seem to be any justification for that"; that "neither of those practices I thought was good for the employers of this State who were footing the final bill, so I fired them"; and that "people who knew the system too well took advantage of what was seen to be easy money".

82. All the named Defendants deliberately and maliciously disseminated and caused to be published these false, libelous and defamatory statements with regard to Plaintiff knowing that said statements were false or with reckless disregard of whether these statements were false or not for the purpose of damaging the personal and professional character and reputation of Plaintiff Miller and in a deliberate attempt to damage his business and render him unable to continue to pursue his chosen profession.

83. Wherefore, as a result of the actions of all the named Defendants in deliberately and maliciously disseminating and causing to be published false, libelous and defamatory statements,

as more fully set out above, the Plaintiff Miller has suffered lost business opportunities as well as suffered damage to his business, professional and personal character and reputation, all in excess of fifty thousand dollars (\$50,000.00) as well as attorney fees and expenses.

COUNT VIII

Paragraphs 1 through 83 are incorporated as if more fully set out herein.

84. The Defendant, The Fund, through its duly authorized legal representatives, entered into an agreement with the Plaintiffs legal predecessor in interest, Chris Miller, d/b/a The Law Offices of Chris Miller, for legal representation in connection with numerous legal disputes involving the Defendant, The Fund.

85. That agreement was first reached on or about January 4, 1986. It provided that the Plaintiffs predecessor in interest would receive, for its legal services, sixty dollars (\$60.00) per hour for attorney time spent representing the Defendant, The Fund, as well as thirty dollars (\$30.00) per hour for legal assistant time spent on behalf of the Defendant, The Fund, and reimbursement of expenses incurred for the same purpose.

86. Sometime prior to May 5, 1995, all the named Defendants unjustly determined the Plaintiff Miller and the Plaintiff Little and Miller, would no longer be permitted to represent the Kansas Worker's Compensation Fund, as set forth above.

87. On or about May 5, 1995, all the named Defendants wrongfully terminated the contract of the Plaintiffs to represent the Worker's Compensation Fund.

88. The actions of all the named Defendants in wrongfully terminating the Plaintiffs contract were in retaliation for Plaintiff Miller's political activities during the 1994 election for the Kansas Insurance Commissioner.

89. Following the wrongful termination of the Plaintiffs contract, as set forth above, all the named Defendants deliberately and maliciously disseminated and caused to be published false, libelous and defamatory statements with regard to the Plaintiffs. These statements were published by all the named Defendants with the knowledge that the defamatory statements were false or with reckless disregard of whether these statements were false or not.

90. All the named Defendants engaged in the conduct described above recklessly or with the intent of causing the Plaintiff Miller severe emotional distress.

91. The conduct of the Defendants was extreme and outrageous.

92. The Plaintiff Miller incurred severe emotional distress as a result of all the named Defendants conduct as described above. As a direct and proximate result of all the named Defendants intentional infliction of emotional distress to the Plaintiff Miller, Plaintiff Miller has suffered a loss of income,

impairment of earning capacity, damage to reputation, attorney's fees and costs, and has suffered severe emotional distress and humiliation and that the Plaintiff Miller's damages are in a sum in excess of fifty thousand dollars (\$50,000.00).

WHEREFORE, Plaintiffs Miller and Little & Miller, pray for judgment against all the Defendants, both individually and in their official capacities, as alleged above in each count, and for the cost of this action plus reasonable attorneys fees; and such other and further relief as the Court deems just and equitable.

Respectfully submitted,



NANCY A. ROE, #12058  
608 Security Bank Building  
707 Minnesota Avenue  
Kansas City, Kansas 66101  
(913) 621-6512  
(913) 321-4753 (FAX)  
Attorney for Plaintiffs



STATE OF KANSAS

900 SW JACKSON, SUITE 201  
TOPEKA, KANSAS 66612-1235

**Sally Thompson**  
TREASURER

TELEPHONE  
(913) 296-3171

**Testimony of State Treasurer Sally Thompson  
House Governmental Affairs & Elections Committee  
Monday, February 24, 1997**

Chairman Glasscock and Members of the Committee:

Thank you for providing this opportunity to speak before the committee today. I would like to voice my opposition to HB 2175, which proposes a statutory change in the Treasurer's office, making it an appointive--not elective--position.

I have had the privilege to twice win election to the Treasurer's post. I know that I am accountable to the voters. I serve at the pleasure of the people of Kansas. And I would like to see this tradition continue. The reforms that I pushed for in the Treasurer's office stemmed from my commitment to make good on the pledges I made to Kansans. Not all of us agree on every issue. But, in terms of the State Treasurer's office's relationship with the legislature, this communication should consist of a dialogue between people elected by Kansans.

We share a concern for good public policy. I have worked with many elected officials and local government leaders--some of whom later joined you in the Legislature. From this experience, I gained a greater understanding of the faith voters place in those of us who seek public office. The State Treasurer's office manages \$10-12 billion annually. The person who has this responsibility should answer directly to the taxpayers.

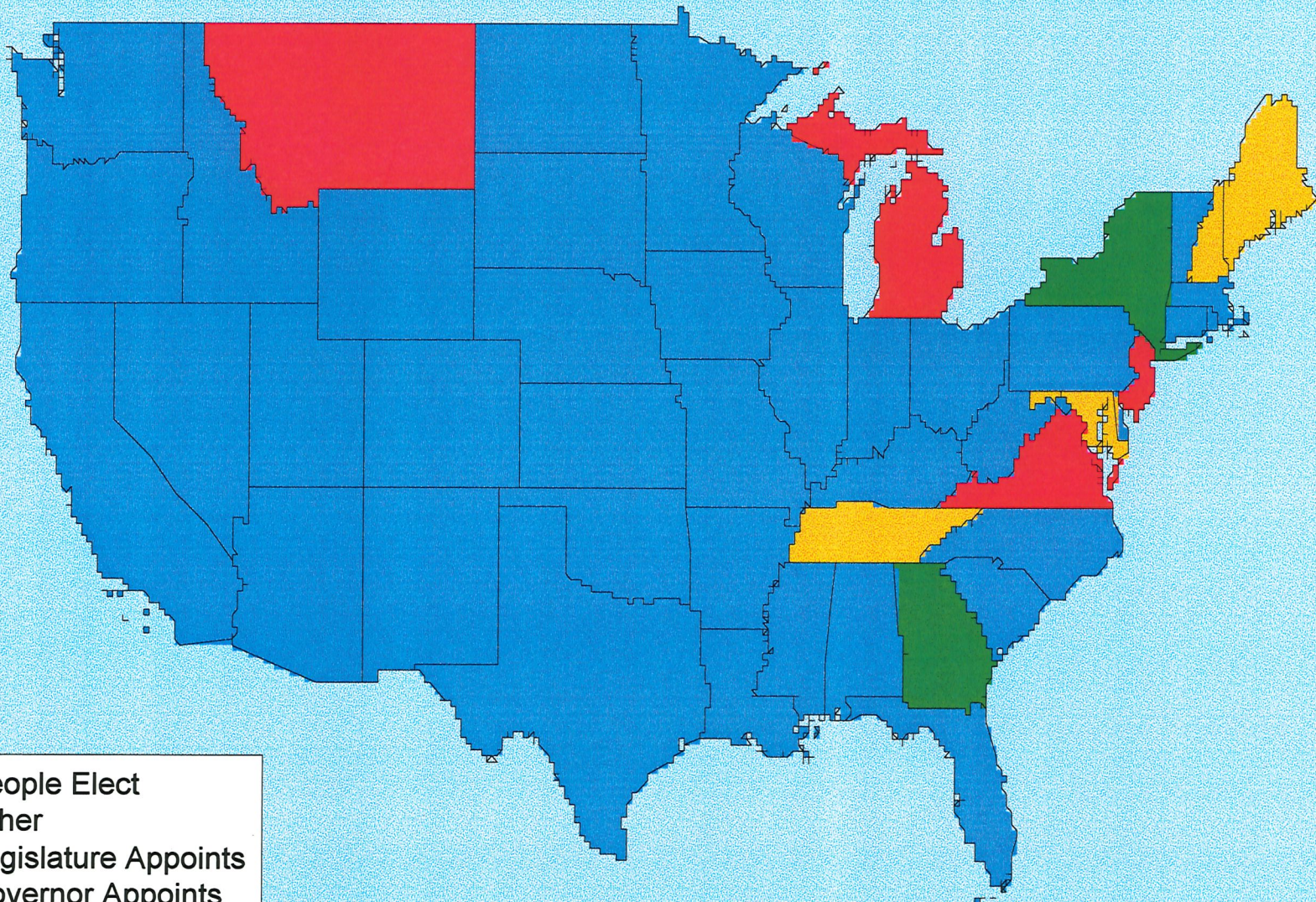
My office included some additional information that you all have. As the map that we provided illustrates, people in 40 other states elect their state treasurer. Another interesting fact is that appointed state treasurers make about \$20,000 more than their elected counterparts. In fact, cabinet positions and other appointive posts are higher on the salary scale than elective ones. As a CPA, I am concerned about internal control, segregation of duties and cost-saving measures. This bill would defeat all of these controls and end up costing taxpayers more money in exchange for less accountability.

It is my firm belief that the State Treasurer's office belongs to the people of Kansas. And to remove their authority by making this office appointive would be wrong.

Thank you.

House GO and E  
Attachment 3  
2.24.97

# State Treasurer Election Process



- People Elect
- Other
- Legislature Appoints
- Governor Appoints



# STATE TREASURER SALARIES

State	How Elected			
	By People	By Legislature	Appointed by Governor	Other
Alabama	\$57,204			
Alaska			\$83,844	
Arizona	54,600			
Arkansas	37,500			
California	90,000			
Colorado	48,500			
Connecticut	50,000			
Delaware	70,200			
Florida	94,040			
Georgia				\$81,500 Civil Svc Emp Comm'n
Hawaii			85,302	
Idaho	62,500			
Illinois	76,991			
Indiana	46,000			
Iowa	60,000			
Kansas	59,110			
Kentucky	69,412			
Louisiana	60,169			
Maine		\$69,451		
Maryland		100,000		
Massachusetts	60,000			
Michigan			83,100	
Minnesota	59,981			
Mississippi	59,400			
Missouri	72,327			
Montana			53,000	
Nebraska	49,500			
Nevada	62,500			
New Hampshire		65,650		
New Jersey			100,225	
New Mexico	65,000			
New York				91,000 People & Legislature
North Carolina	77,289			
North Dakota	51,756			
Ohio	81,444			
Oklahoma	50,000			
Oregon	61,500			
Pennsylvania	84,000			
Rhode Island	52,000			
South Carolina	88,434			
South Dakota	46,500			
Tennessee		77,592		
Texas	79,247			
Utah	57,000			
Vermont	53,000			
Virginia			87,599	
Washington	79,500			
West Virginia	50,400			
Wisconsin	44,900			
Wyoming	52,500			
<b>Average</b>	<b>\$62,484</b>	<b>\$78,173</b>	<b>\$82,178</b>	<b>\$86,250</b>
	38	4	6	2

# KANSAS EXECUTIVE SALARIES

Position	Kansas
State Treasurer	\$63,967
Executive Director, Board of Regents	111,228
Secretary, Dept of Commerce and Housing	93,392
Chairman, Kansas Corporation Commission	92,349
Secretary, Dept of Transportation	84,221
Secretary, Dept of Corrections	83,158
Chairman, Department of Revenue	82,754
Secretary, Dept of Social & Rehab Svcs	82,742
Secretary, Dept of Administration	81,000
Secretary, Dept of Agriculture	79,588
Secretary, Dept of Wildlife and Parks	79,569
Secretary, Dept of Human Resources	79,568
Secretary, Dept of Health and Environment	79,567
Average Cabinet Salary	\$85,761



Kathleen Sebelius  
Commissioner of Insurance  
**Kansas Insurance Department**

**MEMORANDUM**

To: House Governmental Organization  
and Elections Committee

From: Kathleen Sebelius, Commissioner  
of Insurance

Re: House Bill 2175 (Appointment of Insurance Commissioner)

Date: February 24, 1997

I am appearing today in opposition to H.B. 2175 which would take away the right of Kansans to elect their Insurance Commissioner. I believe this legislation denies the citizens of this state their voice in how the insurance industry is regulated.

Kansans annually spend over \$6.2 billion on insurance premiums. If you own a car, you need insurance in order to drive. If you purchase a house, your banker probably wants you to have homeowners insurance. If you own a business, you will likely have a business owners policy and the state will also make you purchase workers compensation coverage. The insurance industry has a direct impact on most every aspect of our daily lives. Kansans ought to have the right to be involved in the regulation of insurance through the direct election of the Insurance Commissioner.

Twelve states (California, Delaware, Florida, Georgia, Kansas, Louisiana, Mississippi, Montana, North Carolina, North Dakota, Oklahoma and Washington) have an elected Insurance Commissioner. Only two of these elected commissioners came from an industry background. Seventeen of the remaining 38 state insurance regulators (almost 45%) were previously employed in the insurance industry. Clearly, an elected Insurance Commissioner is more likely to have a "consumer orientation" rather than an industry point of view.

Elected Insurance Commissioners also tend to have longer tenure in office than appointed agency heads. An appointed commissioner usually comes from the industry, spends one or two years as a regulator and then returns to their job with an insurance company. Those Insurance Commissioners who are elected will have at least a four year term of office to implement policy.

The proponents of this bill will correctly point out that in 1990, when I was a member of the Kansas House of Representatives, I sponsored similar legislation. At the time I was very concerned about the amount of money spent by insurance companies and agents on the commissioner's race. I felt it was an appropriate time to publicly discuss whether or not the Kansas Insurance Commissioner should be bought and paid for by the insurance industry. As you are aware, I have refused to take any campaign money from the industry and have asked the Kansas Legislature to ban any contributions from insurance companies or agents to candidates for Insurance Commissioner.

I believe that H.B. 2175 will lessen the independence of the Insurance Commissioner and will ultimately hurt the consumers of this state. I ask that this Committee not approve the bill.



215 North Normandy  
Olathe Kansas 66061  
(913) 782-2466

WRITTEN TESTIMONY SUBMITTED TO THE  
**HOUSE COMMITTEE OF GOVERNMENTAL ORGANIZATION  
AND ELECTIONS**

BY

**ARTHUR W. SOLIS**

MONDAY, FEBRUARY 24, 1997

**HOUSE BILL NO. 2444**

Mr. Chairperson and Members of the House Committee:

Thank you for the opportunity to submit testimony in favor of House Bill No. 2444, "AN ACT establishing the advisory commission on African-American affairs." I commend you on convening this hearing on an issue which is of critical importance for all citizens of Kansas.

I am the Immediate Past State Commander of the **AMERICAN GI FORUM OF KANSAS**. The American GI Forum of Kansas, the oldest and largest membership-based Hispanic organization in Kansas, is a long-time advocate for the equality of opportunity of all persons, regardless of race, color, gender, ethnicity and national origin. Therefore, in recognition of the unique and diverse interests and needs of the African-American community of Kansas, at its 1996 Annual State Conference the American GI Forum of Kansas adopted a resolution which reiterated its support for a separate statutory advisory committee for African-Americans.

Parenthetically, it should be noted that during the 1991 Legislative Session the American GI Forum testified before the House and Senate Committees on Governmental Organization in favor of 1991 HB 2283, which would have established an advisory committee on African-American affairs.

I respectfully urge the Committee to favorably recommend HB 2444. Ethnic and racial minorities in Kansas have made, and continue to make, significant and constructive contributions to our State. Statutory advisory committees are an investment in the future of our State.

This concludes my testimony.

House GO and E  
Attachment # 5