

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 p.m. on January 16, 2003 in Room 527-S of the Capitol.

All members were present except: Excused: Ray Cox, Nile Dillmore, David Huff

Committee staff present: Renae Hansen, Ken Wilke, Bill Wolff

Conferees appearing before the committee: Jeff Bottenburg-State Farm Insurance Companies

Others attending: Jarrod Forbes, Jerry Wells, JoAnn Bunton, Larrie Ann Lower, David Hanson, Kevin Davis, Brad Smoot, Ron Seeber, Keith Bradshaw, Robert Charomanski, Chris Collins, Cheryl Dillard

Meeting was called to order by Chairperson Barbieri-Lightner. Introductions were made by all present including committee members, committee staff, and conferees. Rules of the committee were reviewed.

Bonnie Sharp spoke as ranking minority member on the ability of all to work together and be productive together as a committee.

Stanley Dreher spoke as Vice Chair that this would be a good committee to work with.

Jeff Bottenburg, Attorney, State Farm Insurance Companies, request for a bill that would allow insurance companies to allow copies of policies in languages other than English. Written testimony was furnished to the committee and a copy of that testimony is (Attachment #1) is attached. Some safeguards include that the English language version would still be filed as the official version as filed by the insurance department, the insurer is still subject to the unfair trade practices act for violating any version contracted in foreign languages. We believe this legislation is needed and will help insure more Kansans that are currently uninsured at this time. At the time of the hearing more testimony will be provided.

Questions were posed to Mr. Bottenburg by Ken Wilke, Revisor.

Representative Bob Grant moved that the committee introduce the bill, seconded by Representative Cindy Neighbor, passed unanimously by the committee.

Questions were posed to Mr. Bottenburg by Representative Mario Goico.

Meeting Adjourned.

Next meeting January 21, 2003.

HOUSE INSURANCE COMMITTEE GUEST LIST

DATE: January 16, 2003

NAME	REPRESENTING
✓ Paul Debes	KID
✓ Jerry Wells	KID
✓ John Bunton	KID
✓ Jeff Bothenberg	State Farm
✓ Harrie Ann Lower	KAHP
✓ David Hanson	Ks Insur Assas / NAII
✓ Kevin Davis	Am. Family Ins
✓ BRAD Smoot	BCBS / AIA
✓ Ron Seeber	Howe Law Firm
✓ Keith Bradshaw	Budget
✓ Robert Choromanski	KTLA
Chris Collins	KMS
Cheryl Dillard!	coventry health Care

Polsinelli | Shalton | Welte

A Professional Corporation

Memorandum

TO: The Honorable Patricia Barbieri-Lightner, Chair
House Insurance Committee

FROM: Jeff Bottenberg, State Farm Insurance Companies

RE: Amendment to K.S.A. § 40-216

DATE: January 16, 2003

Madam Chair, members of the Committee, my name is Jeff Bottenberg and I represent State Farm Insurance Companies ("State Farm").

State Farm respectfully requests that legislation be introduced that amends K.S.A. § 40-216 to allow an insurer to provide foreign language insurance policies to Kansas residents. Such amendment would permit the issuance of foreign language policies under the following conditions:

1. The insured is given a copy of the same material in English;
2. The English version is the official version; and
3. Such policy contains a disclosure statement in the foreign language and English stating that the English version is the official version.

The amendment would also subject an insurer to the penalties contained in the unfair trade practices act for the fraudulent misrepresentation of the contents of a foreign language insurance policy.

House Insurance
Date: 1/16/2003
Attachment # 1

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Topeka, KS 66603
Telephone: (785) 233-1446
Fax: (785) 233-1939

State Farm believes that such amendment will further open the insurance markets to Kansas residents whose first language is not English, thus reducing the amount of uninsured Kansans. At the time of the hearing, we will provide further justification for our position.

Thus, we respectfully request the introduction of the proposed legislation. Please do not hesitate to contact me if you have any questions.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jeff Bottenberg". The signature is stylized with a large initial "J" and "B".

Jeff Bottenberg

JSB
Enclosure

C:\Program Files\Microsoft Office\Office\SFintro.doc

AN ACT concerning insurance, relating to the language of policies; amending K.S.A. 40-216 and repealing the existing section.

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

Section 1. K.S.A. 40-216 is hereby amended to read as follows:

40-216. Business prohibited until certain filings made; filing of contracts on behalf of insurer by rating organization or another insurer; suspension or modification of filing requirements by commissioner; report to legislature. (a) No insurance company shall hereafter transact business in this state until certified copies of its charter and amendments thereto shall have been filed with and approved by the commissioner of insurance. A copy of the bylaws and amendments thereto of insurance companies organized under the laws of this state shall also be filed with and approved by the commissioner of insurance. The commissioner may also require the filing of such other documents and papers as are necessary to determine compliance with the laws of this state. No contract of insurance or indemnity shall be issued or delivered in this state until the form of the same has been filed with the commissioner of insurance, nor if the commissioner of insurance gives written notice within 30 days of such filing, to the company proposing to issue such contract, showing wherein the form of such contract does not comply with the requirements of the laws of this state; but the failure of any insurance company to comply with this section shall not constitute a defense to any action brought on its contracts. An insurer may satisfy its obligation to file its contracts of insurance or indemnity either individually or by authorizing the commissioner to accept on its behalf the filings made by a licensed rating organization or another insurer.

Under such rules and regulations as the commissioner of insurance shall adopt, the commissioner may, by written order, suspend or modify the requirement of filing forms of contracts of insurance or indemnity, which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make an examination to ascertain whether any forms affected by such order meet the standards of this code.

~~(b) Prior to the 2000 legislative session, the Kansas insurance department shall conduct a study and report to the Kansas legislature on the laws of other states governing rate filings and policy or contract forms for personal and commercial, including large commercial risks. The study shall also identify recent trends in regulation and the potential impact on consumers, carriers and agents.~~

(b). The commissioner of insurance shall allow the deliverance to persons in this state of contracts of insurance and indemnity in languages other than English, including all riders, endorsements and advertising materials thereof, as long as the following conditions are satisfied:

- 1. The insured is given a copy of the same material in English;*
- 2. The English version is the official version; and*

3. *Such material in a language other than English shall contain a disclosure statement in such language and in English that states that the English version is the official version and the foreign language version is for informational purposes only.*

(c). All contracts of insurance that are required to be filed with the Commissioner, including all riders, endorsements and advertising materials thereof, must be accompanied by any foreign language version of such documents.

(d). An insurer that knowingly misrepresents the contents of an insurance contract, endorsement, rider or advertising materials in a language other than English shall be treated as violating the unfair trade practices act and subject to the penalties prescribed by K.S.A. 40-2407 and 40-2411 and amendments thereto.

Section 2. K.S.A. 40-216 is hereby repealed.

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