

MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairman Clark Shultz at 3:45 P.M. on March 3, 2005 in Room 527-S of the Capitol.

All members were present except:

- Representative Eric Carter- excused
- Representative Nancy Kirk- excused
- Representative Ray Cox- excused
- Representative Scott Schwab- excused

Committee staff present:

- Melissa Calderwood, Kansas Legislative Research Department
- Terri Weber, Kansas Legislative Research Department
- Ken Wilke, Revisor of Statutes Office
- Sue Fowler, Committee Secretary

Conferees appearing before the committee:

- Jarrod Forbes, Topeka, KS

Others attending:

- See attached list.

Hearing on:

SB 100: **Health insurance; HIPPA technical changes.**

Melissa Calderwood, Kansas Legislative Research Department, gave a brief overview of **SB 100.**

Proponent:

Jarrod Forbes, Kansas Insurance Department, (Attachment #1), appeared before the committee in support of **SB 100.**

Hearing was closed on **SB 100.**

Hearing on:

SB 102: **Insurance; closing a block of business; notice to policyholders required.**

Melissa Calderwood, Kansas Legislative Research Department, gave a brief overview of **SB 102.**

Proponent:

Jarrod Forbes, Kansas Insurance Department, (Attachment #2), appeared before the committee in support of **SB 102.**

Hearing was closed on **SB 102.**

Hearing on:

SCR 1602: **Urging the study of insurance agent licensing and appointments.**

Melissa Calderwood, Kansas Legislative Research Department, gave a brief overview of **SCR 1602.**

Proponent:

Jarrod Forbes, Kansas Insurance Department, (Attachment #3), appeared before the committee in support of **SRC 1602.**

CONTINUATION SHEET

MINUTES OF THE House Insurance Committee at 3:30 P.M. on March 3, 2005 in Room 527-S of the Capitol.

Hearing was closed on SCR 1602.

Representative Grant moved to approve the minutes of the February 22, 2005 meeting. Seconded by Representative B. Sharp. Motion carried.

Next meeting will be March 10, 2005.

Meeting was adjourned at 4:10 P.M.

**House Insurance Committee
Guest Sign Sheet
Thursday, March 3, 2005**

Name	Representing
Craig Van Aalst	Kansas Insurance Dept
LeRoy BRUNGARDT	KS INS DEPT
Lee Wright	Farmers INS
Alan Kotogantz	P.I.A.
John	KID
Larry Magill	KAIA
DANIEL MAGILL	KAIA
David Hansen	KS Insur Assns
John Williams	Farmers Alliance
Jeff Bottenberg	State Farm



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger COMMISSIONER OF INSURANCE

COMMENTS
ON
SB 100—HEALTH INSURANCE; HIPAA TECHNICAL CHANGE
HOUSE COMMITTEE ON INSURANCE
MARCH 3, 2005

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to visit with you on behalf of the Kansas Insurance Department. Senate Bill 100 amends the Kansas Mental Health Parity Law (K.S.A. 40-2258) by extending the sunset date for one more year to December 31, 2005. The controlling federal legislation was recently passed and signed into law. Kansas, along with every other state, is required by this legislation to change its sunset date to December 31, 2005. Failure to do so would surrender regulatory control in this area to the federal government.

Thank for the opportunity to speak today I would be happy to stand for any questions the committee may have.

Jarrod Forbes
Assistant Director
Government Affairs

House Insurance
Date: 3-3-05
Attachment # 1



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger COMMISSIONER OF INSURANCE

COMMENTS ON
SB 102—RELATING TO A CLOSED BLOCK OF BUSINESS
HOUSE COMMITTEE ON INSURANCE
MARCH 3, 2005

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to visit with you on behalf of the Kansas Insurance Department. Senate Bill 102 would require insurers to provide written notice of the carrier's decision to close a block of business to each existing policyholder or contract holder affected. The bill also requires companies to inform affected consumers that they have a right to purchase another policy in an open block of business.

When a block of business is closed, current law requires insurers to offer like coverage to the affected policy or contract holders. However, consumers are not always contacted about this option. This bill would insure that consumers are notified of this change in writing, and also place a 60-day time limit for the consumer to purchase the offered like coverage. We believe the 60-day timeline is appropriate and beneficial to all involved.

Quite simply, we believe it is important consumers who are affected by these underwriting changes have a clear understanding as to why their policies are being non-renewed and the options available to them for other coverage. We feel this is the right thing to do for the insurance consumers in Kansas.

Thank for the opportunity to speak today I would be happy to stand for any questions the committee may have.

Jarrod Forbes
Assistant Director
Government Affairs

House Insurance
Date: 3-3-05
Attachment # 2



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger COMMISSIONER OF INSURANCE

COMMENTS
ON
SCR 1602—A RESOLUTION APPOINTING A TASK FORCE
HOUSE COMMITTEE ON INSURANCE
MARCH 3, 2005

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to visit with you on behalf of the Kansas Insurance Department. Senate Concurrent Resolution 1602 would establish a task force to study the current agent licensing and appointment process used by our office.

The current system is outdated and is in need of change. Our intention is to have all interested individuals participate to correct the process and establish a system with which we all can be happy.

We feel it is important to have the Kansas Legislature involved and therefore reserved six places for legislators on the task force. We believe this resolution is important and urge you to recommend this bill favorable for passage to the House Committee of the Whole.

Thank you for the opportunity to appear before you today. I would be happy to stand for any questions the committee may have.

Jarrod Forbes
Assistant Director
Government Affairs

House Insurance
Date: 3-3-05
Attachment # 3