

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on January 26, 2006 in Room 241-N of the Capitol.

All members were present except:

Patricia Kilpatrick- unexcused
Scott Schwab- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department
Norm Furse, Office of Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee:

Keri A. Kish, Staff Attorney, Kansas Insurance Department

Others attending:

See attached list.

The Chairman asked if there were any members or anyone in the audience that wished to introduce bills.

Tom Whitaker, Kansas Motor Carriers Association, requested a bill be introduced to mirror federal law concerning the employment relationship of an owner-operator to a licensed motor carrier.

The Chairman stated, without objection, the request will become a committee bill.

The Chairman opened the hearing on **HB 2560 - Workers Compensation Fund, duties of commissioner of insurance.**

Staff gave a briefing on **HB 2560** stating the bill abolishes the workers compensation fund oversight committee. The commissioner of insurance annually shall report to the governor and the legislature the receipts and disbursements from the workers compensation fund during the preceding fiscal year. New paragraphs: (h) the commissioner of insurance shall make an annual report to the Legislative Coordinating Council, Senate committee on Commerce and House committee on Commerce and Labor during January of each year and (i) the Commissioner of Insurance, or the Commissioner's designee, shall provide any consulting actuarial firm contracting with the director of workers compensation or the Legislative Coordinating Council with such information or materials pertaining to the workers compensation fund deemed necessary by the actuarial firm for performing the requirements of any actuarial reviews of the workers compensation fund. This act shall take effect July 1, 2006.

Keri A. Kish, Staff Attorney, Kansas Insurance Department, testified as a proponent. She stated this bill amends K.S.A. 44-566a and repeals K.S.A. 46-2401, by abolishing the Kansas workers' compensation fund oversight committee and requiring the commissioner of insurance to submit a yearly report to the legislature regarding the Kansas workers' compensation fund. Currently, the Kansas Insurance Department voluntarily submits a report regarding the workers' compensation fund.

The Kansas Insurance Department is willing and ready to provide this mandatory report as would be required by this bill. The Department already submits this report on a voluntary basis (Attachment 1).

The Chairman closed the hearing on **HB 2560**.

The meeting adjourned at 9:30 a.m. The next meeting will be January 30, 2006.



Kansas Insurance Department

Sandy Praeger COMMISSIONER OF INSURANCE

COMMENTS ON

HB 2560

Relating to the powers and duties of the commissioner of insurance and abolishing the workers compensation fund oversight committee.

HOUSE COMMERCE AND LABOR

January 26, 2006

Mister Chair and members of the committee:

Thank you for the opportunity to speak with you on behalf of the Kansas Insurance Department. This bill is a proposal to amend K.S.A. 44-566a and repeal K.S.A. 46-2401, by abolishing the Kansas workers' compensation fund oversight committee and requiring the commissioner of insurance to submit a yearly report to the legislature regarding the Kansas workers' compensation fund. Currently, our department voluntarily submits a report regarding the workers' compensation fund.

The Kansas Insurance Department administers the Kansas workers' compensation fund. The money that is used to administer the fund comes from a yearly assessment of insurance carriers and group-funded pools, reimbursements from uninsured employers and penalties assessed against uninsured employers. Each year, the Kansas Insurance Department submits a voluntary report regarding the status of the fund. As this bill seeks to make this report mandatory, the commissioner would gladly support this measure. As to the abolishment of the oversight committee, it is the opinion of the Kansas Insurance Department that as long as there is some measure in place for review of the fund by an outside source, it would be acceptable to abolish the oversight committee. According to the proposed statute, oversight would essentially fall on the legislature, specifically, this committee, the senate commerce committee and the legislative coordinating council.

Mister Chair, I assure you that the Kansas Insurance Department is willing and ready to provide this mandatory report as would be required by this bill. The Department has all of the capabilities required and, as previously stated, already submits this report on a voluntary basis.

Thank you again for the opportunity to address the committee today and I would be happy to stand for any questions.

Keri A. Kish

Keri A. Kish
Staff Attorney