

## MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on February 7, 2006 in Room 234-N of the Capitol.

All members were present.

## Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department  
Terri Weber, Kansas Legislative Research Department  
Ken Wilke, Office of Revisor of Statutes  
Bev Beam, Committee Secretary

## Conferees appearing before the committee:

Gary Daniels, Secretary SRS  
Bill Sneed, State Farm Insurance  
Cindy D'Ercole, Kansas Association for Children (written only)

## Others attending:

See attached list.

The Chair welcomed everyone. The Chair announced to the Committee that the committee would also meet Monday, February 13, due to influx of bills received last week. She also told the Committee that on February 9, Dr. Wong would be in attendance to talk about the impact of **(SB 264) - concerning municipalities; relating to depositories for public funds**. At that time my intentions are not to take testimony but to look at suggested changes, she said.

The Chair opened the hearing on **(SB 468) an act which concerns child support enforcement, relating to payments under an insurance policy and workers compensation; perfection of a lien and unlawful acts**. She called on Melissa Calderwood for an overview. Ms. Calderwood explained that **(SB 468)** would amend several provisions of existing law to expand the administrative actions allowed by the Kansas Department of Social and Rehabilitative services.

Gary Daniels, Secretary, Kansas Department of Social and Rehabilitation Services was next to testify as a proponent of **(SB 468)**. Mr. Daniels said **(SB 468)** is part of a package of changes intended to improve Kansas' efforts to efficiently and effectively enforce support orders whenever they go unpaid. This bill expands existing enforcement remedies by creating procedures to identify and intercept certain types of insurance proceeds otherwise payable to support debtors, he said.

Mr. Daniels said Kansas law presently provides an automatic lien on personal property for nonpayment of support. This legislation would require SRS to establish a process that allows insurers to determine whether such a lien exists when a workers compensation or personal injury insurance claim is made and a payment is made to an individual claimant. By addressing only those claims payable directly to the support debtor, this measure will not affect payments to third party providers such as doctors, attorneys, or hospitals.

**(SB 468)** also proposes streamlining existing administrative enforcement procedures to ensure they can be used effectively to enforce an insurance lien and eliminate ambiguities, he said. Using administrative processes to enforce support liens on insurance settlements will minimize the impact of these liens on court dockets and resources; provide aggrieved persons options for prompt administrative or judicial review; use legal staff only when complex issues or circumstances require, and minimize the administrative burden on insurance carriers who prefer the automation options available through administrative procedures. (Attachment 1)

Mr. Daniels introduced Jamie Corkhill, Attorney, Social and Rehabilitation Services. She also testified as a proponent of the bill.

Written testimony of Cindy D'Ercole, Kansas Action for Children was presented as a proponent of the Bill. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE Senate Financial Institutions and Insurance Committee at 9:30 A.M. on February 7, 2006 in Room 234-N of the Capitol.

The Chair introduced Bill Sneed, Legislative Counsel, State Farm Insurance Companies. Mr. Sneed testified as an opponent of **(SB 468)**. Mr. Sneed said he applauds the Administration's effort in attempt to collect child support; however, placing the burden on an insurance company is costly, time-consuming, and in many instances creates some issues of privacy. Mr. Sneed asked why insurance companies are being selected and forced to partner with state government and assist in child support collections. Such a program could be applied to banks, savings and loans, credit unions, security houses, and many others, he said. Based on that, it seems unfair to apply this law to one sector of the financial marketplace. (Attachment 3)

Following much discussion, the Chair closed the hearing on **(SB 468)**.

**Final Action**

The Chair called for final action on **(SB 422)** - concerning surety bonds; eliminating requirements for multiple sureties, and asked for testimony from Ken Wilke regarding questions raised by Senator Barone regarding line 18 where it talks about district court and line 22 where it talks about the office of county auditor and whether those are the appropriate terms.

Mr. Wilke said the first section deals with K.S.A. 19-621 and my suggestion would be to keep the term "district clerk" the same, he said. This has a companion statute, K.S.A. 19-620 which pretty well ties things together with the clerk of the district court and those two statutes work together in concert, he said. My suggestion would be not to make any change in the language in **(SB 422)**.

The Chair said this statute only applies to those counties 80,000 or above 300,000 or below. The first section makes a determination that applies only to counties that have populations between 80,000 and 300,000, but the rest of the bill takes in the rest of the counties. Senator Brungardt moved that the Committee on Financial Institutions and Insurance recommend **(SB 422)** favorably be passed. Senator Wilson seconded the motion. Motion passed.

**Final Action**

The chair called for final action on **(SB 405) - certain foreign insurance companies doing business in the state**. Senator Schmidt moved to pass **(SB 405)**. Senator Brungardt seconded the motion.

Ken Wilke said that it was pointed out to him that in Subsection F on Page 2 of **(SB 405)** that the insurance commissioner has amended existing law to provide for the prescription drug plan sponsors but the manner in which they did so, wiped out some existing authority that they wished to keep so I have a balloon to rectify that situation if the committee so desires.

Senator Schmidt withdrew her motion to pass **(SB 405)**. Senator Brungardt withdrew his second.

The Revisor said it would now read in Section F, line 29 as follows:

- (1) Except as provided in paragraph (2), the commissioner of insurance may, upon renewal of a Certificate of Authority waive any of the above requirements except those relating to assets capital and surplus.
- (2) The commissioner of insurance may, at the commissioner's discretion, waive any of the above requirements for prescription drug plan sponsors as defined by 42 U.S.C. 1395w-151 as in effect on January 1, 2006. (Attachment 4)

Senator Steineger moved to amend **(SB 405)**. Senator Brungardt seconded the motion. Motion passed.

Senator Schmidt moved to recommend **(SB 405)** favorably for passage as amended. Senator Brungardt seconded the motion. Motion passed.

CONTINUATION SHEET

MINUTES OF THE Senate Financial Institutions and Insurance Committee at 9:30 A.M. on February 7, 2006 in Room 234-N of the Capitol.

The Chair said action will be closed on (SB 422) and (SB 405).

The Chair asked for a motion to approve the minutes of January 31, February 1 and 2. Senator Steineger moved approval of the minutes. Senator Wilson seconded the motion. Motion passed.

Meeting adjourned at 10:30 a.m. The next meeting of this Committee is scheduled for February 8, 2006.

**FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST**

DATE: February 7, 2006

NAME	REPRESENTING
Brad Amoot	AIA
Alex Kotoyantz	PIA
Ken Geches	CBBA
Bill Seed	State Farm
Jamie Corkhill	SRS
Cecy Daniel	SRS
Kyle Jensen	SRS
RICHARD THOMAS	KDDU
Paul Johnson	Kansas Catholic Conf
Bill Curtis	Ks Assoc of School Bds
LARRY ABILL	KS ASSN OF INS AGENTS
Caleb Denton	KTLA

Kansas Department of

# Social and Rehabilitation Services

Gary Daniels, Secretary

**Senate Financial Institutions and Insurance**

February 7, 2006

**SB 468 - Insurance Liens**

**Integrated Services Delivery**

Gary Daniels, Secretary

785-296-3271

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*Senate FI&I Com.  
Attachment 1  
February 7, 2006*

**Kansas Department of Social and Rehabilitation Services  
Gary Daniels, Secretary**

Senate Financial Institutions and Insurance Committee  
February 7, 2006

**SB 468 - Insurance Liens**

Senator Teichman and members of the Committee, I am Gary Daniels, Secretary of SRS. Thank you for the opportunity to testify about SB 468 - Insurance Liens and the Kansas Child Support Enforcement Program (CSE).

Lack of child support income is an ongoing challenge for many families today. Of the 131,000 cases served by the CSE Program, 54 percent of children receive the financial support to which they are entitled. That performance, although meaningful to many Kansas families, places Kansas 37<sup>th</sup> in state rankings. Within our own federal region, Kansas lags far behind Nebraska (#7) and Iowa (#16).

SB 468 is part of a package of changes intended to improve Kansas' efforts to efficiently and effectively enforce support orders whenever they go unpaid. This bill expands existing enforcement remedies by creating procedures to identify and intercept certain types of insurance proceeds otherwise payable to support debtors.

Kansas law presently provides an automatic lien on personal property for nonpayment of support. This legislation would require SRS to establish a process that allows insurers to determine whether such a lien exists when a workers compensation or personal injury insurance claim is made and a payment is made to an individual claimant. By addressing only those claims payable directly to the support debtor, this measure will not affect payments to third-party providers such as doctors, attorneys, or hospitals. When fully implemented, we anticipate this change in Kansas law will produce over \$1,000,000 per year in new support collections.

Theoretically these insurance payments are available to families owed support by way of garnishments and other legal process. Reality is that information about an insurance settlement is often discovered long after funds have been disbursed to the support debtor and spent, leaving dependent children without a meaningful remedy. By identifying claimants who are support debtors early in the process, this measure provides much-needed protection for the family's support claim while ensuring insurance claimants have a meaningful opportunity to raise objections and achieve appropriate compromises.

Because existing staff cannot absorb the work required for reaching out to insurance companies, establishing working relationships with them, technical development, testing

of interfaces, and ongoing technical assistance and support, the work will be outsourced to the fullest extent possible. The proposed method for identifying settlements payable to support debtors is modeled on the outsourced processes in use by Iowa, Nebraska, Missouri, and 13 other states. It is designed to accommodate carriers that prefer a secure, Web-based method for matching insurance claimants to support debtors, as well as carriers that prefer automated batch processes.

SB 468 also proposes streamlining existing administrative enforcement procedures to ensure they can be used effectively to enforce an insurance lien, and eliminate ambiguities. Using administrative processes to enforce support liens on insurance settlements will:

- Minimize the impact of these liens on court dockets and resources,
- Provide aggrieved persons options for prompt administrative or judicial review,
- Use legal staff only when complex issues or circumstances require, and
- Minimize the administrative burden on insurance carriers who prefer the automation options available through administrative procedures.

Kansas has a long history of enacting progressive laws to protect and provide for our children, reflecting the high value we as a people place on our most vulnerable citizens. This measure builds on that history and affirms that children continue to hold that priority today.

This concludes my prepared remarks. I will be glad to stand for questions.

Note: Attached is a CSE Fact Sheet that provides background information about the Child Support Enforcement Program and its recent achievements.

## 2005 CSE Fact Sheet

- The Kansas Child Support Enforcement Program, operated under Title IV-D of the federal social security act, has two purposes: (1) to ease the taxpayers' burden for public assistance to children not being supported by both parents, and (2) to promote financial stability for the appalling number of children living in or near poverty. By pursuing these goals CSE helps families become and remain independent of public assistance, which in turn allows the State to extend its finite resources to more families in need. CSE's work helps custodial parents expand their children's opportunities to grow, learn, and develop their abilities to the fullest.
- The Department of Social and Rehabilitation Services is the designated Title IV-D (CSE) agency for the State of Kansas. CSE operates within the Integrated Service Delivery Division of SRS. The CSE caseload consists of approximately 131,000 TAF and Non-TAF cases serving over a quarter million people.
- The Kansas CSE Program is a multifaceted operation that combines state, county, judicial, and private resources to meet detailed federal requirements concerning all phases of operation. CSE services include:
  - Locating absent parents and their assets;
  - Establishing parentage, as needed;
  - Establishing support orders, including medical coverage;
  - Ensuring regular payment of support through income withholding orders;
  - Enforcing past due support through administrative action, such as interception of federal and state tax refunds;
  - Enforcing past due support through court action, such as garnishment of bank accounts; and
  - Modifying ongoing support orders, as needed, to reflect the child's current needs and the parent's ability to provide support.
- CSE services are provided across Kansas by full and part-time SRS staff and by more than 20 contractors. CSE's enforcement contractors are selected through competitive procurement and presently include a county prosecutor, several district court trustees, and a variety of private sector vendors. Other private contractors include the vendor operating the Kansas Payment Center, a paternity testing laboratory, credit bureaus, and process servers.



- CSE cases fall into two broad categories:
  - Temporary Assistance to Families (TAF). When a child's custodian applies for TAF (Temporary Assistance to Families), that child's support rights are assigned to the State. If CSE collects support in a TAF case, it is used to reimburse the state and federal governments for public assistance provided to the child's family. Any collections beyond the claim for reimbursement are passed on to the family. If the TAF eligibility worker determines that monthly child support collections for a family are regularly exceeding the monthly TAF grant, the TAF cash grant may be ended. When that happens, appropriate transitional services and supports for the family continue, including CSE services.
  - Non-TAF. Federal law requires the CSE Program to provide services to any family, regardless of income, that applies for support enforcement services. CSE is also required to provide Non-TAF services when a family stops receiving cash TAF benefits, at the custodial parent's discretion. The idea is to prevent the need for TAF and other forms of public assistance by insuring reliable child support income, and to provide equal treatment under the law for all children. It is important to note that nearly 2 out of 3 Kansas Non-TAF families formerly received public assistance.

The CSE Non-TAF caseload also includes families receiving only Child Care Assistance from SRS. When CSE successfully collects support in such a case, current support (and any past due support that is not subject to an SRS claim for reimbursement) goes to the family. Child support income enables the family to make co-payments while eligible for Child Care Assistance and, after Child Care Assistance ends, to pay independently for child care services from the provider of their choice.

- Although SRS normally deducts a 4% cost recovery fee from Non-TAF collections, families receiving Child Care Assistance, Medicaid, or Food Assistance are all exempt from the fee. In addition, all CSE cases are automatically exempt from any district court trustee fee that might otherwise apply.
- In state fiscal year 2005, CSE's total support collections topped \$156 million, most of which was passed on to families. Altogether, more than 1.8 *billion* dollars of support have been collected for families and taxpayers since the Kansas IV-D program's inception in 1976.

- In state fiscal year 2005, CSE established over 9,800 child support obligations. The Child Support Guidelines, used to calculate all current support orders in Kansas, call for work-related child care expenses to be factored into the monthly support award, so that the parent who pays for child care will receive a fair contribution toward that expense from the other parent. Whenever appropriate, CSE also establishes a medical support order that requires the noncustodial parent to provide group health coverage for the child.
- Paternity establishment by the CSE Program also plays a vital role in SRS' mission. Children benefit from having their parentage established because it opens the avenue to cash and medical support from the second parent, assures them access to complete family medical information, and paves the way for potential inheritance and other rights. It also gives the child certainty about his or her family background, which is so important to the child's emotional development and confidence.
- Federal rules permit TAF cash assistance to be ended when current support payments regularly exceed the cash grant. Such closures provide significant advantages to the State, allowing scarce public assistance resources to be focused on the people most in need. CSE services to the former TAF family continue automatically, providing a safety net that reduces the risk of the family returning to dependence on public assistance. This is especially important for people affected by the five-year lifetime limit on TAF eligibility.

Whenever CSE secures regular child support income for a household receiving Child Care Assistance, the State also has the opportunity to stretch its limited resources to help more families -- including families who do not have the option of child support income from an absent parent. Regular, dependable child support income gives a working family greater assurance that, regardless of the ups and downs of public human services, they will be able to purchase the child care services that they need.

- In October 2000 the Kansas Payment Center (KPC), a joint venture of CSE and the Kansas Office of Judicial Administration, became Kansas' central unit for collection and disbursement of all support payments. The KPC offers a number of customer services statewide that were not feasible before 2000. Examples include 24-hour access to payment and disbursement information by phone or through the Internet, a toll-free customer service center, and direct deposit of support disbursements. Taken together, these elements enable families to monitor support payments independently and use up-to-date information for planning and managing their own household expenses.

■ Historic information about the Kansas CSE Program:

	State FY 2002	State FY 2003	State FY 2004	State FY 2005
CSE cases	150,204	144,544	134,115	131,616
Total collections	\$143.1 million	\$146.8 million	\$151.7 million	\$156.3 million
State's share	\$15.3 million	\$15.7 million	\$17.2 million	\$16.8 million

Written Testimony Only  
February 7, 2006

To: Senate Financial Institutions and Insurance  
From: Cindy D'Ercole  
Re: Senate Bill 468– Child Support

### **Kansas Action for Children supports enactment of SB 468**

Kansas does not do a very good job at child support establishment and enforcement. One of the reasons that Kansas does not compare well to other states is that we have not implemented some of the administrative tools other states use to collect support arrearages. SB 468 is part of a package of bills that will give Kansas the ability to effectively enforce unpaid support orders.

### **The Importance of Child Support**

Child support is a critical source of support for many low- and moderate-income families. As we look at ways to support vulnerable Kansans with limited state and federal dollars, it is clear that child support is an effective and efficient support. Not only does child support potentially save children and families from experiencing poverty, but it also benefits the state economically through a reduced need to provide cash assistance, food stamps, and Medicaid.

At the child development level, children whose noncustodial parents pay child support have more contact with them, potentially providing the children with emotional as well as financial support. Research also indicates that children with parental contact have better grades, better test scores, fewer behavior problems, and remain in school longer.

### **Reason for Child Support Arrearages**

Although there are numerous reasons for inconsistent or no child support payments, common themes emerge. There are certain child support debtors who are very difficult for the state to communicate with and even locate. These debtors include parents with a sporadic work history who are self-employed or receive their wages in cash.

Other states have successfully found these debtors and helped families collect child support payments using this tool. Nebraska, Missouri, and Iowa are neighboring states that all currently have a similar insurance matching process.

### **Match and Liens on Insurance Proceeds**

This mechanism would allow certain insurance payments to be matched against a list of child support debtors. In the case of a match, the state would be notified, allowing time to notify the insurance company that there is a lien for unpaid support.



*Making a difference for Kansas children.*

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*Senate FI & I Com*  
*Attachment 2*  
*February 7, 2006*

When the settlement is actually paid, the insurance company pays the child support debt before sending the rest of the insurance settlement to the debtor.

**Despite court orders, many Kansas families get sporadic or no child support.** From the experience in other states it is clear that Kansas can do a better job helping these families. SB 468 will give Kansas an effective and efficient tool that can decrease families' dependence on public assistance. I strongly encourage you to support HB 2706.

### *The Importance of Child Support*

If child support orders were established and followed for families needing support, the state could experience substantial savings.

Researchers have estimated that if all families who needed child support had orders in place, and those orders were fully enforced:

- cash assistance costs for families would drop 26%
- food stamp costs would drop 19%
- Medicaid costs would drop 5%

### Child Support Enforcement Improves Child Well-being

*There is increasing evidence that children in single-parent families who regularly receive child support do better in a variety of ways than children who do not receive such support. Research indicates that the receipt of child support appears to have a positive effect on children's achievement in school, reduces divorce rates, deters non-marital births, and that fathers who pay child support are more involved with their children.*

## Child Support in Kansas *A Critical Source of Support for Families*

### **Child support is a critical source of economic stability for families.**

Kansas can help families collect child support arrearages by expanding administrative remedies to collect unpaid child support such as liens on insurance proceeds, recreational license sanctions, administrative suspension of driving privileges, and a statewide Financial Institution Data Match.

### **Background**

Child support payments are a critical source of economic stability for low- and moderate-income families. As we look at ways to support vulnerable Kansans with limited state and federal dollars, it is clear that child support is an effective and efficient support. Not only does child support potentially save children and families from experiencing poverty, but it also benefits the state economically through a reduced need to provide cash assistance, food stamps, and Medicaid.

### **Child Support in Kansas**

Kansas does not do a very good job at child support establishment and enforcement. In fact, Kansas is falling behind the national average on nearly every category according to FFY 2003 Federal Performance Measures. One of the reasons that Kansas does not compare well to other states is that we do not have a lot of the tools other states use to collect support arrearages.

Although they do require an initial investment from the state, these processes and procedures will enable the Kansas Child Support Enforcement program to help families become independent of public assistance and reduce net state expenditures for public assistance. These administrative procedures include:

- Liens on insurance proceeds
- Recreational license sanctions
- Administrative suspension of driving privileges
- A statewide Financial Institution Data Match.

**Memorandum**

**TO:** THE HONORABLE RUTH TEICHMAN, CHAIR  
SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

**FROM:** WILLIAM W. SNEED, LEGISLATIVE COUNSEL  
THE STATE FARM INSURANCE COMPANIES

**RE:** S.B. 468

**DATE:** FEBRUARY 7, 2006

Madam Chair, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for The State Farm Insurance Companies. State Farm is the largest insurer of homes and automobiles in Kansas. State Farm insures one out of every three cars and one out of every four homes in the United States. We appreciate the opportunity to present our thoughts regarding S.B. 468. Based upon our review of this proposal, we must respectfully oppose the bill and request that the Senate Financial Institutions and Insurance Committee act unfavorably on S.B. 468.

First, I do want to acknowledge that individuals from the Administration did contact my office regarding this bill as a potential piece of legislation for the 2006 Session. Although we talked in generalities with the Administration, the first time we saw actual language was after the bill had been introduced. After reviewing the bill, we have several problems.

First, although we applaud the Administration's effort in attempting to collect child support, placing the burden on an insurance company is costly, time-consuming, and in many instances creates some issues of privacy that we are uncertain can be answered under this bill.

As we understand the bill, prior to the issuance of any payment to any claimant under a contract of insurance, the insurer will have an affirmative duty to check some type of list created by the secretary of SRS. Nothing in New Section Three dictates how often this list is updated, at what time of the day it is updated, or exactly what identifying information will be included on the list. Insurance companies process hundreds of thousands of claims every day within the State of Kansas. This burden will increase the time for processing claims and the cost involved with complying with this law will ultimately be borne by all policyholders, regardless of whether they are involved in any type of child support lien.

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*Senate FI & I Com  
Attachment 3  
February 7, 2006*

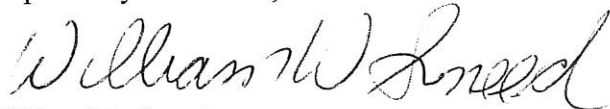
Secondly, adding this mechanism complicates a process that's already touchy. Slowing the process down by this procedure could be the straw that breaks the camel's back and causes a lawsuit to be filed instead of a settlement taking place. I am certain that the Courts are not eagerly awaiting additional caseload simply by virtue of a well-intentioned piece of legislation.

My client is aware of similar laws in existence in Massachusetts and Rhode Island. Although the states of Massachusetts and Rhode Island may have a different perspective, in our view both laws are ineffective, increase costs and increase delays to legally-entitled consumers. There have been problems with the mechanism that the insurance companies are required to use to procure the information, and there have been issues of privacy and security on these web sites.

Finally, we would ask why insurance companies are being selected and forced to partner with state government and assist in child support collections. Theoretically such a program could be applied to banks, savings and loans, credit unions, security houses, and many others. Based on that, it seems patently unfair to apply this law to one sector of the financial marketplace.

For the above reasons, we respectfully request that this Committee not act favorably on S.B. 468. Thank you for your time, and I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed

WWS:kjb

019646 / 032884  
WWSNE 1283460



1 (b) The authority shall not be granted, continued or renewed to any  
2 insurance company which is controlled, as such word is defined in sub-  
3 section (c) of K.S.A. 40-3302, and amendments thereto, by another state  
4 of the United States or by a foreign government, or by any political sub-  
5 division of either.

6 (c) Every such company shall file a certified copy of its charter or  
7 deed of settlement with the commissioner of insurance, together with a  
8 statement, under oath of the president, vice-president or other chief of-  
9 ficer and the secretary of the company for which they act, stating the  
10 name of the company, the place where located, and the amount of its  
11 capital, with a detailed statement of the facts and items required from  
12 companies organized under the laws of this state and a copy of the last  
13 annual report, if any was made, under any law of the state or country in  
14 which such company was incorporated.

15 (d) Upon the application of any such insurance company for a certif-  
16 icate of authority to transact business in this state, the commissioner of  
17 insurance shall be satisfied that the company is possessed of money and  
18 other admitted assets in excess of its liabilities, as herein provided, and  
19 that it has otherwise complied with all the other requirements of this  
20 code. The commissioner shall thereupon issue a certificate of authority  
21 to such company authorizing it to transact the classes of insurance per-  
22 mitted under its articles of incorporation and by the provisions of this  
23 code.

24 (e) The funds of any such insurance company, in excess of the min-  
25 imum paid-up capital required by this code, may at all times be invested  
26 in such securities as are or may be authorized by the laws of the state in  
27 which such company is organized or in which it has and maintains its  
28 United States deposit.

29 (f) ~~The commissioner of insurance may, upon renewal of a certificate~~  
30 ~~of authority at the commissioner's discretion,~~ waive any of the above  
31 requirements ~~except those relating to assets, capital and surplus for pre-~~  
32 ~~scription drug plan sponsors as defined by 42 U.S.C. 1395w-151 as in~~  
33 ~~effect on January 1, 2006.~~

34 (g) Whenever any insurance company organized under the laws of  
35 any other country, state or territory is issued a certificate of authority to  
36 transact insurance in this state by the commissioner of insurance pursuant  
37 to this section, such company shall not be required to comply with the  
38 provisions of the general corporation code relating to foreign corpora-  
39 tions, nor shall any such company be required to file with the secretary  
40 of state its articles of incorporation, charter, bylaws or other documents,  
41 or any amendments thereof, unless specifically required to do so by law.

42 Sec. 2. K.S.A. 40-209 is hereby repealed.

(1) Except as provided in paragraph (2), the  
commissioner of insurance may, upon renewal of a  
certificate of authority waive any of the above  
requirements except those relating to assets, capital and  
surplus.  
(2)

Senate FI & I Com  
Attachment 4  
February 7, 2006