

CHAPTER 205

Substitute for HOUSE BILL No. 2512

AN ACT concerning the health care stabilization fund; relating to certain expenditures and investments; amending K.S.A. 40-3406 and repealing the existing section.

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

New Section 1. (a) Expenditures may be made from the health care stabilization fund for attorney fees, expenses and other costs incurred in defending the fund against claims and for judgments and settlements for which the fund is liable pursuant to subsection (c) of K.S.A. 40-3403, and amendments thereto, regardless of when such attorney fees, expenses or other costs were incurred or when any such judgment or settlement was made.

(b) This section shall be part of and supplemental to the health care provider insurance availability act.

Sec. 2. K.S.A. 40-3406 is hereby amended to read as follows: 40-3406. After consultation with the board of governors the director of investments may invest and reinvest moneys in the fund in accordance with investment policies established by the pooled money investment board under K.S.A. 75-4232, and amendments thereto, in the following:

(a) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of the United States sponsored enterprises which under federal law may be accepted as security for public funds, including investments in mortgage-backed securities;

(b) repurchase agreements with a Kansas bank or primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds;

(c) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm;

(d) interest-bearing time deposits in any commercial bank located in Kansas; ~~or~~

(e) the municipal investment pool fund, under K.S.A. 12-1677a, and amendments thereto; *or*

(f) *corporate bonds that are rated in one of the two highest credit rating categories by a nationally recognized investment rating firm.*

Sec. 3. K.S.A. 40-3406 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

Approved May 13, 2005.
