

SESSION OF 2006

SUPPLEMENTAL NOTE ON SENATE BILL NO. 332

As Amended by House Committee on
Higher Education

Brief*

SB 332 would allow state universities to purchase insurance other than employee health insurance independently of the Committee on Surety Bonds and Insurance. A university that purchases insurance under the authority provided by the bill would have to make that purchase using a competitive bid or competitive negotiation in accordance with procedures prescribed by the State Board of Regents. The bill would require that the insurance be purchased from an insurance company authorized to do business in Kansas.

Under current law, most state agencies are prohibited from purchasing insurance. These purchases are made by the Committee on Surety Bonds and Insurance. This Committee consists of the State Treasurer, the Attorney General, and the Commissioner of Insurance or their respective designees.

Background

The bill was introduced by the Legislative Educational Planning Committee as a part of the legislative package of the Board of Regents. A representative of the University of Kansas spoke in favor of the bill at the hearing in the Senate Education Committee. A representative of the Kansas Association of Insurance Agents spoke in opposition to the bill.

The Senate Committee amended the bill to require that insurance purchased by the state universities must be purchased from an insurance company authorized to do business in Kansas.

At the House Higher Education Committee hearing, a representative of the University of Kansas presented testimony in support of the bill. A representative of the Board of Regents presented

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

written testimony in support of the bill. No opponents to the bill presented testimony at the House Committee hearing.

The House Committee amended the bill to require that universities use a competitive bid or competitive negotiation process established by the Board of Regents to purchase insurance pursuant to the bill.

The fiscal note issued by the Division of the Budget states that, while there could be some savings for the state, it is unable to estimate the amount. The Senate and House committee amendments may change the initial assessment of the bills potential fiscal impact.