

SESSION OF 2006

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2858**

As Amended by House Committee on  
Insurance

**Brief\***

HB 2858, as amended, would amend the requirements for service contracts provided under current law, KSA 2005 Supp. 40-201a. Specifically, the bill would amend the term "service contract" to remove the phrase "handling of property damaged by power surges" and to expand the definition to allow for the accidental damage caused from the handling of any consumer good or other property.

**Background**

HB 2858 was introduced by the House Insurance Committee at the request of Representative Mitch Holmes. The proponent of the bill, the Service Contract Industry Council, Inc., indicated the amendment to the 2005 law would allow services, which include Accidental Damage by Handling (ADH), to be exempt from regulation as insurance products. There were no opponents to the bill at the House Committee hearing.

The House Committee on Insurance amended the bill to clarify that the handling of property includes the handling of any consumer good or other property.

The fiscal note prepared by the Division of the Budget on the introduced version of the bill indicates that passage of the bill would have no effect on agency operations of the Kansas Insurance Department.

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\*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>