

MEMORANDUM

To: Joint Committee on Administrative Rules and Regulations
From: John Wine
Kansas Insurance Department
Re: K.A.R. 40-2-14a
Date: November 26, 2012

My name is John Wine and I am a Staff Attorney for the Kansas Insurance Department. With me today is Tom Whalen, Director of our Producers Division. I would like to thank the committee for allowing the Department to appear and comment on the proposed amendment to K.A.R. 40-2-14a.

This amendment to the regulation is being proposed to adopt a policy that would incorporate by reference an adaptation of the updated NAIC Model Regulation on Suitability in Annuity Transactions. Based on preliminary comments, the Department has determined that requiring a biennial hour of training, in addition to the one-time four hours of training required by the model regulation, would unnecessarily make Kansas requirements inconsistent with those in most other states. At the public hearing the Department intends to announce that it will amend the policy to delete that extra requirement.

There will be no significant economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.

We would be happy to answer any questions the members of the committee might have. Again, thank you for allowing us to appear today and comment on the proposed regulation.