

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2470

As Recommended by House Committee on
Appropriations

Brief*

HB 2470 would remove a requirement that all regents universities purchase insurance of any kind or nature, except employee health insurance, on a competitive bid or competitively negotiated basis only from an insurance company authorized to do business in Kansas.

Background

The Vice President for Administration and Fiscal Affairs at Emporia State University testified on behalf of the Board of Regents in support of the bill. The bill would permit the universities to accept bids from all qualified insurance companies, including the Midwest Higher Education Compact's Higher Education Master Property Program, in addition to the insurance companies admitted to do business in the State of Kansas.

A representative of the Kansas Insurance Department provided neutral testimony, and there was no opponent testimony against the bill.

Under continuing law, any such purchase would be required to be in accordance with procedures prescribed by the state Board of Regents, and such insurance could be purchased independent of the Committee on Surety Bonds and Insurance and without complying with current state purchasing laws.

*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>

The fiscal note prepared by the Division of the Budget indicates that, if the universities were to switch from their current provider to an insurer through the Midwest Higher Education Compact, of which the Board of Regents is a member, it could reduce costs by \$550,000, lower deductibles and provide for broader coverage tailored to higher education.