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MEMORANDUM

To: Chairman DeGraaf and Members of the House Committee on Financial Institutions

From: Matt Sterling, Assistant Revisor of Statutes

Date: 03/12/2015

Subject: Senate Bill 55

SB 55 amends K.S.A. 40-223 and 40-2127 concerning the cap on fees that may be charged for conducting financial examinations and the length of time between financial examinations of the high-risk insurance pool.

Section 1 of the bill amends KSA 2014 Supp. 40-223 and concerns consulting fees. Under current law, the cap on the fees for conducting a financial examination on an insurance company or society that has $200M or more in gross premiums is $100,000. This bill would increase the cap to $500,000.

Section 2 of the bill amends KSA 40-2127 and concerns the length of time between financial examinations of the high risk insurance pool. Under current law, the length between examinations is three years. The bill would change the length between examinations to five years.