

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2064

As Recommended by House Committee on
Insurance

Brief*

HB 2064 would add insurance against the cost of legal services to the classes of insurance that could be provided by any insurance company organized under state law or authorized to transact business in the state, other than a life insurance company. The bill would exempt these property and casualty insurance companies from the definition of prepaid service plans.

Background

The House Committee on Insurance introduced the bill at the request of Hyatt Legal Plans, Inc. (Hyatt). At the House Committee hearing, a representative of Hyatt explained passage of the bill would clarify the legal plan services provided by Hyatt would be regulated as a property and casualty product and would be exempt from the regulatory requirements associated with a prepaid service plan. The representative indicated such regulation more appropriately would reflect the manner in which the company has been doing business in Kansas since 1998. The representative noted the Kansas Insurance Department had no objection to the bill. No opposing or neutral testimony was received.

According to the fiscal note prepared by the Division of the Budget on the bill, the Kansas Insurance Department indicates enactment of the bill would have a negligible fiscal effect on insurance premium taxes, as a small number of insurance companies likely would provide this new underwriting. The Kansas Insurance Department would administer provisions of the bill with its existing staff.

*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>