

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on February 6, 2006 in Room 241-N of the Capitol.

All members were present except:

Delia Garcia- excused  
L. Candy Ruff- excused  
Louis Ruiz- excused  
Patricia Kilpatrick- unexcused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department  
Norm Furse, Office of Revisor of Statutes  
Rena Jefferies, Office of Revisor of Statutes  
June Evans, Committee Secretary

Conferees appearing before the committee:

Larry Magill, Kansas Association of Insurance Agents

Others attending:

See attached list.

The Chairman opened the hearing on **HB 2671 - Workers compensation fund, duties of commissioner of insurance.**

Staff gave a briefing on **HB 2671** relating to occurrence deductibles. The change in “an occurrence deductible means a deductible that applies only once to a single accident, as defined in subsection (d) of K.S.A. 44-508, and amendments thereto, regardless of the number of workers injured in that accident”.

The Revisor suggested the bill needed to be changed so the existing policies would continue the same until the new license is issued.

Larry Magill, representing the Kansas Association of Insurance Agents, testified as a proponent to **HB 2671**. Deductibles have long been used as a risk management technique to handle small claims that can negatively impact the business’ cost of insurance. This would provide protection to every business in Kansas from a multiple deductible event and there would be a slight decrease in the credit for deductibles as a result. The biggest incentive and the biggest cost saving from deductibles is in the calculation of the experience modification and not from the very small deductible credit. The calculation of the experience modification will not be effected unless there is a catastrophe (Attachment 1).

The Chairman closed the hearing on **HB 2671**.

The meeting adjourned at 9:10 a.m. The next meeting will be February 7, 2006.