

MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 p.m. on January 27, 2004 in Room 527-S of the Capitol.

All members were present except:

Representative Broderick Henderson- excused
Representative David Huff- excused
Representative Nancy Kirk- excused

Committee staff present:

Bill Wolff Legislative Research Department
Ken Wilke, Revisor of Statutes
Rena Hansen, Secretary

Conferees appearing before the committee:

Larry Magill, KAIA
Bob Tomlinson, Assistant Insurance Commissioner
Jim Hall, American Council of Life Insurers
Jarrod Forbes, Legislative Liason for the Insurance Commission

Others attending:

See Attached List

Representative Patricia Barbieri-Lightner opened the floor for bill introductions.

Bob Tomlinson , Assistant Insurance Commissioner, proposed a bill before the Insurance Committee that would mandate Insurance companies compliance to electronic registration to the county treasurers. Ken Wilke, Revisor, asked if some proposed language would be forth coming to the their office and was assured of this. The bill was introduced by consensus.

Larry Magill, KAIA, proposed a bill (Attachment #1), Kansas Employer Health Care Affordability and Accountability Act, that would simply spell out the information the agent and the client are entitled to receive, under what circumstances, with a certification process required under H.I.P.A.A. for the employer to get employee identified information. An attorney will be present during the hearings that is well versed in the Health Insurance Portability and Accountability Act to talk about this issue. The bill was introduced by consensus.

Hearing on **HR5027**:

HR5027: Concurrent Resolution urging the Insurance Department and Insurance Commissioner to pursue creation of interstate compact.

Proponent Bob Tomlinson, Assistant Insurance Commissioner, (Attachment #2). This resolution has 2 central elements to a policy that you should make a declaration of. One is to charge the Department of Insurance with an effort to negotiate a compact for the marketability on a nation wide level of life and annuity products. The second is a dedication that the Insurance department would like the Legislature to take towards state regulated insurance as a policy. These two are inseparable together. Kansas is one of 13 states that has an elected Insurance Commissioner, thereby keeping insurance as close to the people as possible. In addition, the Insurance Department adds money to the state general funds in the form of premium taxes. Last years amount of contribution was \$94.4 million dollars. One of the implied problems of federally regulated Insurance, could be the loss of these funds. The compact would deliver insurance products in a more efficient and speedy manor throughout the United States. Currently, these products have to go through 51 jurisdictions to be introduced to the public. This bill would allow a person

CONTINUATION SHEET

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to deliver this product through filling out one form. The key to this bill is to maintain state regulation of Insurance.

Questions were posed by: Representatives Stephanie Sharp, Scott Schwab, Jan Scoggins-Waite, Nile Dillmore, and Mario Goico.

Jim Hall, American Council of Life Insurers, National trade association representing the Life Insurance industry, with over 300 member companies licensed to conduct business here in Kansas. We support the NAIC's work on their compact and to that extent support the Kansas Insurance Departments request for this resolution.

Larry MaGill, KAIA, discussed this resolution today in our government affairs committee meeting. We support this resolution and are 100% behind state regulation. Additionally, the compact works well with the life and annuity products because those products do not tend to vary from state to state. They are happy to support the departments resolution.

Representative Barbieri-Lightner closed the hearing on HR5027.

Hearing on: HB2549.

HB2549: Health insurance; HIPAA technical changes.

Jarrod Forbes, legislative liaison for the Kansas Insurance department, (Attachment #3) recommends we pass out HB2549 as it simply makes a date change in accordance with the federal mental health laws. The Federal legislature updated their date to December 31, 2004 at the close of 2003. Failure to do so would surrender our regulatory powers in this one area now.

Questions were posed by Representatives Nile Dillmore and Patricia Barbieri-Lightner.

The fiscal note was presented to the committee. (Attachment #4)

Representative Barbieri-Lightner closed the hearing on HB 2549.

Meeting adjourned.