

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on March 2, 2005 in Room 234-N of the Capitol.

All members were present except:

Jim Barone- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department

Terri Weber, Kansas Legislative Research Department

Ken Wilke, Office of Revisor of Statutes

Sandy Yingling, Committee Secretary

Conferees appearing before the committee:

Jarrold Forbes, KID

Others attending:

See attached list.

Madam Chair reopened hearing on **SB 103**.

SB 103 - Insurance; effect of military deployment on certain policies.

Jarrold Forbes, Kansas Insurance Department, presented the official version for the substitute to **SB 103**. (Attachment 1) Mr. Forbes stated the compromise was two parts, health and property and casualty. Mr. Forbes stated that when a deployed individual returns and reinstates his/her insurance, the only new issue to be considered would be their age. The rest of the policy would remain the same.

Madam Chair pointed out that there are some criteria in the reinstatement. The individual would be required to have an honorable discharge. The reinstatement request must be made within 30 days after deactivation. The policyholders must be notified in writing as set forth in Section 2, paragraph (c).

Senator Brownlee asked when the person returns and goes back on their regular health insurance, if they have conditions that occurred while they were deployed, what insurance will cover that? Brad Smoot answered the individual would have a choice of going to the VA Hospital, but if they elected to use their primary insurance, the BCBS would provide coverage as well.

Senator Barnett asked why disability, dental and long term care were excluded? Brad Smoot answered, yes they are excluded. Senator Barnett asked if a military person has an existing policy covering long term care or dental care, are we not going to protect them and if so why not? Jarrold Forbes stated that was not the intention of the bill. Senator Barnett asked why are we not protecting the military personnel in this regard? Madam Chair stated she would prefer to deal with the issues before the committee and once passed the bill could be amended in the Senate.

Senator Schmidt followed up on Senator Brownlee's discussion by asking if a preexisting condition would be a factor. Mr. Forbes answered, only their age would be a consideration.

Senator Brownlee addressed Senator Barnett's concerns with regard to long term conditions. Dave Hanson stated they would prefer to see that the language was kept consistent. Larrie Ann Lower said she believes the concept is this issue could bring forth more questions by taking out the language than by leaving it in.

Ken Wilke, Office of Revisor of Statutes, offered the new structure of the bill. Ken stated that basically they took the language offered by the insurance department and put it into the original bill. The original bill had basically four sections. Now the definitions have been alphabetized. The new material is section 2 through 5. Ken set the bill up as a substitute bill so it would look cleaner as the Chair requested. (Attachment 2)

Mr. Wilke asked the insurance industry, in view of the comments that have been raised about section 3, are you considering this to be a mandate? Brad Smoot answered, no

CONTINUATION SHEET

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Madam Chair pointed out in section 1c that health plan means an insurance company or health insurance maintenance organization which issues individual coverage to a resident in this state. It does not go any broader than that.

Madam Chair closed the hearing on **SB 103**

Senator Wysong moved to amend **SB 103** to adopt the amendments of the Insurance Department and set up as a substitute bill. Senator Wilson seconded. The motion carried.

The meeting was adjourned.