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MEMORANDUM

To: House Committee on Insurance
From: Eileen Ma, Assistant Revisor of Statutes
Date: March 6, 2019
Subject: Bill Brief for SB 32

SB 32 would create a healthcare benefits coverage product that would not be subject to the jurisdiction of the Commissioner of Insurance, amending K.S.A. 40-2222, 40-2222a and 40-2222b.

K.S.A. 40-2222 provides that persons or other entities that provide certain healthcare benefits coverages are presumed to be subject to the commissioner of insurance's jurisdiction. Paragraphs one through nine specify certain exemptions from that presumption. On page 2, lines 27 through 31, the bill would create a tenth exemption, pertaining specifically to the Kansas Farm Bureau and its affiliates. The bill further states that the healthcare benefit coverage provided as described in the paragraph would not be considered insurance.

When the bill was worked by the Senate Committee on Financial Institutions and Insurance, the bill was amended in three ways. First, language was reworded slightly to clarify that healthcare benefits coverage would not be considered insurance; second, a provision was added to allow the risk created under the health insurance benefits coverage to be reinsured; and third, a requirement was added to require providers of healthcare benefit coverage to file a signed, certified actuarial statement of plan reserves annually with the Commissioner of Insurance. The amendment appears on page 2, lines 31 through 37.

SB 32 also makes a number of technical fixes to 40-2222, and amends K.S.A. 40-2222a and 40-2222b to pertain to "a person or entity," to reflect the new benefits coverage created in the bill.