

**MEMORANDUM**

**To:** Joint Committee on Administrative Rules and Regulations  
**From:** John Wine  
Kansas Insurance Department  
**Re:** K.A.R. 40-1-20  
**Date:** November 26, 2012

My name is John Wine and I am a Staff Attorney for the Kansas Insurance Department. With me today is Julie Holmes with our Accident and Health Division. I would like to thank the committee for allowing the Department to appear and comment on the proposed amendment to K.A.R. 40-1-20.

This amendment to the regulation is being proposed to clarify that the existing prohibition against subrogation clauses applies to accident and health policies even when the insurer, such as a group funded municipal pool, is technically not an insurance company. Based on preliminary comments we intend to amend this proposed regulation to clarify that we are not narrowing the regulation's scope but only trying to expand the definition to include companies excluded by a technicality.

There will be no significant economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies. The only

economic impact would be on health insurers who are not insurance companies and who would not be permitted to seek subrogation.

We would be happy to answer any questions the members of the committee might have. Again, thank you for allowing us to appear today and comment on the proposed regulation.