

SENATE BILL No. 273

AN ACT concerning costs for examination of an insurance company; amending K.S.A. 2011 Supp. 40-223 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2011 Supp. 40-223 is hereby amended to read as follows: 40-223. ~~Any person who makes any examination under the provisions of this act,~~ (a) (1) Except as provided in K.S.A. 40-110 and 40-253, and amendments thereto, *any person who makes any examination under the provisions of this act* may receive, as full compensation for such person's services, on a *per diem* basis an amount fixed by the commissioner, which shall not exceed the amount recommended by the national association of insurance commissioners, for such time necessarily and actually occupied in going to and returning from the place of such examination and for such time the examiner is necessarily and actually engaged in making such examination including any day within the regular workweek when the examiner would have been so engaged had the company or society been open for business, together with such necessary and actual expenses for traveling and subsistence as the examiner shall incur because of the performance of such services.

(2) For the purposes of this act, "necessary and actual expenses" shall be limited, whether for travel within the state or travel outside the state, to those limitations expressed in K.S.A. 75-3207, and amendments thereto, which pertain to official travel outside the state. The daily charge shall be calculated by dividing the amount the examiner is authorized by the commissioner of insurance to charge per week by the number of days in the regular workweek of the company or society being examined.

(b) (1) All of such compensation, expenses, the employer's share of the federal insurance contributions act taxes, the employer's contribution to the Kansas public employees retirement system as provided in K.S.A. 74-4920, and amendments thereto, the self-insurance assessment for the workmen's compensation act as provided in K.S.A. 44-576, and amendments thereto, the employer's cost of the state health care benefits program under K.S.A. 75-6507, and amendments thereto, a *pro rata* amount determined by the commissioner to provide vacation and sick leave for the examiner not to exceed the number of days allowed state officers and employees in the classified service pursuant to regulations promulgated in accordance with the Kansas civil service act, all outside consulting and data processing fees necessary to perform any examination, and a *pro rata* amount determined by the commissioner not to exceed an annual aggregate of \$18,000 to fund the purchase, maintenance and enhancement of examination equipment and computer software shall be paid to the commissioner of insurance by the insurance company or society so examined, on demand of the commissioner.

(2) The amount paid for all outside consulting and data processing fees necessary to perform any *financial* examination *at any one company or society, including examination of such company's or society's subsidiaries or any combination thereof*, and the *pro rata* amount to fund the purchase of examination equipment and computer software shall not collectively total more than ~~\$25,000 at any one company examination including examination of its subsidiaries or combination thereof.~~

(A) \$50,000 for any insurance company or society which has less than \$200,000,000 in gross premiums, both direct and assumed, in the preceding calendar year; or

(B) \$100,000 for any insurance company or society which has \$200,000,000 or more in gross premiums, both direct and assumed, in the preceding calendar year.

(3) *The amount paid for all outside consulting and data processing fees necessary to perform any market regulation examination at any one company or society, including examination of such company's or society's subsidiaries, or any combination thereof, and the pro rata amount to fund the purchase of examination equipment and computer software shall not collectively total more than \$25,000.*

(c) Such demand shall be accompanied by the sworn statement of the person making such examination, setting forth in separate items the number of days necessarily and actually occupied in going to and returning from the place of such examination, the number of days the examiners were necessarily and actually engaged in making such examination including those days within the regular workweek while the examination was in progress and the company or society had closed for business, and

the necessary and actual expenses for traveling and subsistence, incurred in and on account of such services.

(d) A duplicate of every such sworn statement shall be kept on file in the office of the commissioner of insurance. All moneys so paid to the commissioner of insurance shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the insurance company examination fund. The state treasurer shall issue duplicate receipts therefor, one to be delivered to the commissioner of insurance and the other to be filed with the director of accounts and reports.

Sec. 2. K.S.A. 2011 Supp. 40-223 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE concurred in
HOUSE amendments _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.