

SENATE BILL No. 25

AN ACT concerning insurance; relating to risk-based capital requirements for health organizations; amending K.S.A. 40-2d05 and repealing the existing section.

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

Section 1. K.S.A. 40-2d05 is hereby amended to read as follows: 40-2d05. "Company action level event" means any of the following events:

(a) The filing of an RBC report by a health organization which indicates that ~~a~~:

(1) *The* health organization's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC; *or*

(2) *the health organization has total adjusted capital which is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 3.0, and triggers the trend test determined in accordance with the trend test calculation included in the health RBC instructions as defined in K.S.A. 40-2d01, and amendments thereto.*

(b) The notification by the commissioner to the health organization of an adjusted RBC report that indicates the event described in subsection (a) if:

(1) The health organization does not challenge the adjusted RBC report pursuant to K.S.A. 40-2d19, and amendments thereto; or

(2) the commissioner has rejected such challenge after a hearing.

Sec. 2. K.S.A. 40-2d05 is hereby repealed.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

President of the Senate.

Secretary of the Senate.

Passed the HOUSE _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.