

MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 p.m. on January 20, 2004 in Room 527-S of the Capitol.

All members were present except:

Representative Broderick Henderson- excused

Committee staff present:

Bill Wolff, Research

Ken Wilke, Revisor

Rena Hansen, Secretary

Conferees appearing before the committee:

Sandy Praeger, Kansas Insurance Commissioner

Others attending:

See Attached List.

The newest member of the committee was introduced. Representative Jan Scoggins-Waite gave a brief self introduction to the committee.

Sandy Praeger, Kansas Insurance Commissioner, gave a short overview of the department and the Insurance industry in Kansas. Kansans spend about \$10 billion dollars in income on insurance products. Informed Kansans make better decisions on their insurance, and it is part of our job to make sure they are educated, and have access to affordable insurance coverage. (Attachment #1)

Commissioner Praeger introduced 5 bills to the committee that the insurance department is proposing the House Insurance committee introduce to the Kansas State House of Representatives on their behalf.

The first bill would change the actuarial tables on credit life insurance that was inadvertently left off the tables created with K.S.A. 40-409 in the 1980's. The current tables used are from the 1950's. This bill would update the tables to the 1980's figures the rest of the tables are set at currently.

Bill number two addresses the valuation of companies during a conversion. This bill allows the Insurance Commissioner to broaden the factors that determine the value of a company at the time of a conversion, or sale.

Bill number three addresses the H.I.P.P.A. regulation on the mental health requirement that sunsets each year. This bill changes the date from 2003 to 2004.

Bill number four helps people who can demonstrate eligibility get access to up to 65% premium assistance for health insurance. This allows people who loose their jobs due to international trade agreements and individuals who loose their pension from the Pension Benefit Guarantee Corporation to be included in the Kansas High Risk Pool, and thereby be eligible for this premium benefit assistance.

Finally, a resolution was proposed that pertains to a certain involvement in an interstate insurance compact that would allow for uniform filings for life and annuity products. Furthermore, this resolution is intended to reinforce that the Kansas Legislature is dedicated to state regulation of insurance.

Questions were posed to Commissioner Praeger to by Representatives Bob Grant, Ray Cox, Jan Scoggins-Waite, and Scott Schwab.

Representative Nile Dillmore moved to present the four bills and one resolution to the House for consideration, seconded by Representative Ray Cox, motion passed.

CONTINUATION SHEET

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Representative Mario Goico proposed legislation that would increase the deductible of amount of damage from \$500 to \$1,000 of a car accident, thereby raising the amount of damage in an accident that made it mandatory to report the accident to police.

Representative Ray Cox moved to accept the bill, seconded by Representative Stanley Dreher, motion passed.

Representative Nile Dillmore was introduced as the new ranking minority on Insurance Committee and commented that he was just glad to be here.

Representative Baribieri-Lightner asked everyone to take note of the 2004 Committee rules.

Meeting adjourned.