

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 a.m. on January 19, 2010, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes  
Melissa Calderwood, Kansas Legislative Research Department  
Terri Weber, Kansas Legislative Research Department  
Beverly Beam, Committee Assistant

Conferees appearing before the Committee:

Kansas Commissioner of Insurance, Sandy Praeger

Others attending:

See attached list.

Kevin Robertson, Kansas Dental Association, introduced a bill concerning dental benefits under health insurance. He said this bill would prohibit dental insurance companies from capping fees on non-covered services. He said if a dental insurance company covered fillings and crowns but didn't cover implants, they couldn't cap a fee that a dentist would charge for that implant.

Senator Steineger moved introduction. Senator Brownlee seconded. Motion passed.

The Chair introduced Kansas Insurance Commissioner, Sandy Praeger. The Commissioner introduced two bills, the first regarding Risk Based Capital. She said this year's RBC decreased reserves by more than the 2.5 trigger compared to last year's standard, so update must be made through legislation. She said she is currently working with the revisor in drafting the bill.

The second bill regards genetic testing. She said this bill would further clarify the exclusions for insurance companies to use genetic testing information. It would also allow for a voluntary exception to this exclusion if certain criteria are met such as no underwriting, patient and Commissioner are notified, etc. She said this essentially allows insurance companies to gather genetic testing information from patients on a voluntary basis if solely used for research purposes.

Senator Steineger moved introductions of the bills. Senator Kelsey seconded. Motion passed.

The Insurance Commissioner then gave a report regarding the Kansas Insurance Department. In summary, the Commissioner said the three functions of the Department are to Regulate, Educate and Advocate. She said with regard to premiums, that \$119 million in premium fees and taxes went into the state general fund in fiscal year 2009, up \$1 million from fiscal year 2008. She said \$91.5 million was from out-of-state companies. She stated that there are 66 insurance companies headquartered in Kansas and approximately 1,600 foreign insurance companies selling policies here. There have been 189 additional companies admitted since 2003, she noted. Continuing, she noted that Kansas has licensed approximately 22,000 resident producers and approximately 70,000 non-resident producers. KID provides brochures and booklets with approximately 30 available online. She noted that KID's web site is one of the top six insurance department sites according to the Consumer Federation of America.

In closing, the Commissioner said regarding consumer assistance, there is always a live person manning the in-state toll-free hotline and consumers always get at least a near-immediate response. She said KID recovered \$15 million in 2009 for consumers; a record \$15.1 million in 2007; \$86.85 million since 2003 and complaints and inquiries continue a downward trend.

Following Q & A, the Chair adjourned the meeting at 10:30 a.m.

The next meeting is scheduled for January 20, 2010.

CONTINUATION SHEET

Minutes of the Senate Financial Institutions and Insurance Committee at 9:30 a.m. on January 19, 2010, in Room 152-S of the Capitol.