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MEMORANDUM

To: Chairman Sutton and the House Committee on Insurance
From: Office of Revisor of Statutes
Date: March 11, 2024
Subject: **SB 423, Reducing the number of appointed board members on certain insurance-related governing boards and the frequency of meetings of the committee on surety bonds and insurance.**

HB 2714 would grant the commissioner of insurance to decrease the number of appointed board members on certain boards that fall under the commissioner's appointing authority. For each of the boards listed below, the currently appointed and serving board members would finish serving their terms on December 31, 2024, regardless of when each board member's term would end. The commissioner would then appoint a new board with members each having terms of three years. In appointing each of the respective board members, the commissioner would be required to consider if foreign and domestic insurers are fairly represented on each board. Finally, each board would have the same powers, duties and functions as its predecessor board; however, board members would now be removable for inefficiency, neglect of duty or malfeasance.

The affected boards are as follows:

Sec. 1: The governing board of the automobile and motor vehicle bodily injury and property damage liability insurance plan (K.S.A. 40-2102).

Sec. 2: The governing board of worker's compensation and employer's liability insurance plan (K.S.A. 40-2109).

Sec. 3: The governing committee of assigned claims plan for personal injury protection benefits (K.S.A. 40-3116).

Sec. 4: The governing board if the plan for equitable apportionment of risk among insurers of applicants for professional liability insurance.

Sec. 5: The governing body for third party liability insurance plan. Members decrease from five to three.
Technical amendment was approved by the Senate committee to insert "member" on page 12, lines 28, 29 and 30

The bill also removes a requirement for the committee on surety bonds and insurance to meet at least once per month. Meetings would remain at the call of the chair.

SB 423 passed the Senate Committee of the Whole on a vote of 39 to 1 on February 22, 2024.