

Approved: 03-26-2012

(Date)

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

The meeting was called to order by Chairperson Ruth Teichman at 9:30 AM on Tuesday, February 21, 2012 in 152-S of the Capitol.

All members were present except:
Senator Olson

Committee staff present:
Melissa Calderwood, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Ken Wilke, Revisor of Statutes Office
Marilyn Arnone, Committee Assistant

Conferees appearing before the Committee:

Others in attendance:
See attached list.

Chair Teichman opened the meeting and advised the Committee that the minutes of the meetings would now be sent to Committee members electronically and if no corrections were received within a week, the minutes would be considered as approved.

The Chair introduced Scott Strong from Pratt, Kansas, who is her shadow for the day.

There were several groups of Pages attending the meeting. Senator Taddiken introduced Maggie Banks, Lindsay Fisher and Jessie Gittemeier all from Leawood, Kansas.

Senator Holland introduced Phillip Carroll, Jackson Barth, George Letner and Nick Patrick all from Baldwin City Junior High School.

Senator Schmidt introduced Brett Decker and his parents from Smith Center, Kansas.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the SENATE FINANCIAL INSTITUTIONS AND INSURANCE Committee at 9:30 AM on Tuesday, February 21, in 152-S of the Capitol.

The Chair called for Final Action on **SB 372–Kansas money transmitter act.** This bill had technical amendments. (Attachment 1)

Senator Steineger moved to pass SB 372 as amended favorably out of committee. Senator Masterson seconded and the motion carried.

The Chair called for Final Action on **SB 373–Interstate health care compact.**

Senator Masterson moved to pass SB 373 favorably out of committee. Senator Merrick seconded and the motion carried. Senator Holland asked to be recorded as voting no on the motion.

The next bill for Final Action was **SB 273–Fees for examination of insurance company.** It was the Chair’s understanding that an agreement with small companies that are under \$200,000 premium for a cap of \$50,000 on examinations, but groups with over \$200 million premiums have not agreed to a cap. (Attachment 2)

The Chair asked Kevin Davis, Kansas Insurance Department, to talk about some of the suggestions to this problem. Mr. Davis said it is accurate that the department has met with members of the industry and come up with several suggested amendments to the bill. The smaller companies with gross premiums under 200 million dollars are agreeable with the amendment to reduce the cap down to \$50,000 and would also indicate that the threshold was moved from 50 companies with under 50 million dollars up to companies with gross premiums of 200 million dollars. Basically the threshold was raised and the cap lowered. The Department had introduced the original bill with no cap on companies over 50 million gross premiums. Again, as a result of the meeting, the threshold of companies over 200 million in premium was raised to one million dollars. The unlimited amount was reduced to one million dollars. After further meetings, the Department had agreed to reduce the amount for companies over 200 million gross premiums from unlimited to \$250,000. However, there is still no agreement among the 8 largest companies in the amount.

The Chair asked the Committee what their feelings were on this situation.

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The cap has not been increased since the 1990s. The Insurance Department has come down to \$50,000 for small companies. Some of the larger companies would agree to a cap of \$100,000 while others would agree to \$150,000.

Senator Masterson moved that the cap be \$200,000 on companies over 200 million dollars in gross premiums. Senator Longbine seconded the motion. Following discussion the motion passed.

Senator Masterson moved that **SB 273** be passed out of Committee favorably for passage. There were several seconds and the motion passed.

The last bill on the agenda was **SB 250–Firefighters health insurance**. The Chair said she had not heard anything from the municipalities. She did learn that there had been 10 firefighters who had lost their life in the line of duty since 2000. There had been discussion to change the insurance payment from 5 years to an 18 month COBRA policy if the firefighter had been enrolled in the municipality health plan.

There had been discussion about adding other law enforcement officers to the bill. Senator Schmidt said that since the bill originated as a firefighter bill and there had been discussions to come to agreement on the bill, he thought it would be best worked as a firefighter bill at this time. Perhaps later the other law enforcement personnel could be added to the bill. The Chair appointed Senator Schmidt to work with Mr. Wilke of the Revisor Office to finalize the amendment on the bill and the bill would be worked at the next meeting.

The Chair adjourned the meeting at 10:15 AM. The next meeting will be March 1, 2012.