

Approved: January 23, 2001

Date

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:10 a.m. on January 17, 2001 in Room 521-S of the Capitol.

All members were present except: Rep. Peggy Long - excused

Committee staff present: Renae Jeffries, Revisor of Statutes
Jerry Donaldson, Legislative Research Department
Bev Adams, Committee Secretary

Conferees appearing before the committee: Bud Grant, Kansas Merchants Security Assn.
Kathleen Sebelius, Kansas Insurance Commissioner

Others attending: See attached list

The minutes of January 10 and 11 were handed out to the committee. Rep. Grant made a motion that the minutes be approved as written. Rep. Ballou seconded the motion. The motion carried.

Introduction of Bills

Bud Grant, Kansas Merchants Security Association, requested a bill which would amend the worthless check statutes. He asked that the enactment clause read "as printed in the Kansas Register." (Attachment 1) Rep. Grant made a motion that the bill be introduced as a committee bill. It was seconded by Rep. Humerickhouse. The motion passed.

Presentation by Kansas Insurance Department

Kathleen Sebelius, Kansas Insurance Commissioner, appeared before the committee to give an update on the Insurance Department. She introduced several people from the department: Dick Cook, Fire and Casualty Division; Bill Wempe, Director of Fire and Casualty; Linda DeCoursey, Director, Government Affairs Division; and Jeremy Anderson, Assistant Director, Government Affairs Division.

She explained the Kansas Insurance Department's (KID) part in Workers Compensation insurance. Most Workers Compensation (WC) business is carried out by the Kansas Department of Human Resources, but the KID deals with the companies who sell WC insurance and the rate setting for those companies. They also handle the Workers Compensation Fund which encourages the employment of persons with a preexisting condition and relieves employers wholly or partially of liability resulting from second injuries suffered by these employees. The three basic areas of coverage for the fund are: second injury, insolvent/uninsured employers, and reimbursement to employers on overpayment of benefits. She answered questions from the committee throughout her presentation.

The most recent rate filing for WC insurance, effective January 1, 2001, is estimated to result in an overall 4.3% increase, which equates to an \$11.5 million increase to Kansas employers. This was the first overall rate increase in almost seven years. (Attachment 2)

The KID operates on fees and premium taxes paid by insurance companies. They generate revenue in the \$80M range. A portion of this revenue supports their office, but most of it goes into the State General Fund.

Commissioner Sebelius encouraged the committee to inform their constituents that the insurance department offers a lot of information about insurance, available by telephone, e-mail or from their web page. This information is free. She also encouraged the committee to make use of all the materials they have available. The web site is located at: <http://www.ksinsurance.org>.

Chairman Lane introduced Andrew Sabolic from the audience. He is with the National Council on Compensation Insurance which is the rating company that files rates for workers compensation for the insurance department.

CONTINUATION SHEET

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE, Room 521-S
Statehouse, at 9:10 a.m. on January 17, 2001.

Chairman Lane adjourned the meeting at 9:55 a.m. The next meeting is scheduled for January 18, 2001.