

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 February 19, 2007 in Room 234-N of the Capitol.

All members were present except:

James Barnett- excused
Pete Brungardt- excused
Vicki Schmidt- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Secretary

Conferees appearing before the committee:

John Meetz, KID; Kevin Robertson, Kansas Dental Assn.; Larry Bruning, KID

Others attending:

See attached list.

The Chair called the meeting to order.

Hearing on:

SB 273 - concerning insurance; related to the prompt payment of certain claims.

John Meetz, Government Affairs Liaison, Kansas Insurance Department, testified in support of SB 273 stating that this bill would insert dentists under the current “prompt-pay law.” He stated that before the start of the 2007 legislative session, the Insurance Department was considering adding long-term care to the current prompt pay law. He said during that process, the Insurance Department was approached by representatives from the dental industry as to why dentists were not included under the prompt pay law. The Department determined that adding dentists to the law that requires prompt payment of clean claims would be appropriate.

Kevin Robertson, Executive Director of the Kansas Dental Association testified that KDA supports SB 273 as effective legislation to ensure that dental patients who carry dental insurance and insurance provider dentists are reimbursed promptly by the dental insurance carrier by adding “dental” to the definition of “accident and sickness insurance.”

The Chair closed the hearing on SB 273.

Hearing on:

SB 255 - concerning insurance; pertaining to the use of lapsed rates.

Larry Bruning, Chief Actuary, Kansas Insurance Department, testified in support of the bill stating that the amendment proposed by SB 255 would allow the use of lapse rates in the calculation of the minimum level of policy reserves for Universal Life Insurance contracts issued after December 31, 2006 that provide death benefits that are guaranteed to remain in effect if specified conditions are met by the contract owner. This amendment applies only to a specific guarantee that keeps the insurance contract in force, referred to as the secondary guarantee. Mr. Bruning said Commissioner Praeger is in support of using lapse rates in the calculation of the value of these secondary guarantees in determining the policy reserves for the Universal Life Insurance contracts.

Jim Hall, American Council of Life Insurance, testified that he was in attendance to merely lend support to this bill.

Following discussion, the Chair closed the hearing on SB 255 and adjourned the meeting at 10:15 a.m.