

Proposed

**KANSAS INSURANCE DEPARTMENT
Notice of Hearing on Proposed
Administrative Regulation**

A public hearing will be conducted at 1:30 p.m., April 21, 2011, in the third floor conference room, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, to consider the adoption of a proposed rule and regulation.

The 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rule and regulation. All interested parties may submit written comments prior to the hearing to John Wine, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, 66612-1678, via facsimile at 785-291-3673, or via email at jwine@ksinsurance.org. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing.

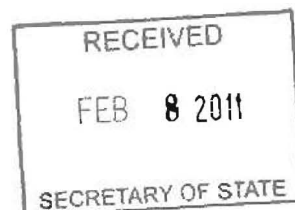
A summary of the proposed regulation and its economic impact follows.

K.A.R. 40-10-16. Firefighters relief act; fund allocation. This proposed regulation prescribes the formula to be used by KID when making the annual redetermination allocation for Firefighters Relief Associations (FRAs); the formula used calculating new base allocation percentages; and the method for computing the distribution of FRA relief funds. These calculations will also be used for new, merged and re-qualified FRAs.

The economic impact, if any, would be minimal because this methodology has already been used by KID in annual redetermination orders issued the past two years.

There will be little or no economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and the economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least 5 working days in advance by contacting John Wine at (785) 296-7847 or via email at jwine@ksinsurance.org. Any individual desiring a copy of this regulation and/or the policy and procedure that is being adopted by reference, if applicable, may obtain a copy from our website, www.ksinsurance.org, under the Legal Issues link or by contacting John Wine by phone at (785)296-7847 or via email at jwine@ksinsurance.org. The charge for copies is fifty cents per page.



K.A.R. 40-10-16. Firefighters relief act; fund allocation. (a) The annual redetermination allocation shall be calculated using a formula based on the population and the assessed tangible property valuation of the area served by the association that requests redetermination in relation to the population and the assessed tangible property valuation of the state. The assessed tangible property valuation of the area served by the association and the state to be used in the formula shall be as reported by the Kansas department of revenue's statistical report of property assessment and taxation for the year during which redetermination is requested. The populations of the area served by the association and the state to be used in the formula shall be those population totals certified by the Kansas secretary of state for the year during which redetermination is requested.

(b) The following formula shall be used to calculate a new base allocation percentage for the association that requests redetermination:

(1) The assessed tangible property valuation of the area served by the association shall be divided by the assessed tangible property valuation of the state, and the quotient shall be divided by two to form one-half of the new base allocation percentage.

(2) The population of the area served by the association shall be divided by the population of the state, and the quotient shall be divided by two to form the second half of the new base allocation percentage.

(3) The sum of the amounts calculated in paragraphs (b)(1) and (2) shall be the new base allocation percentage for the association.



ATTORNEY GENERAL

JAN 31 2011

APPROVED BY 

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JAN 25 2011

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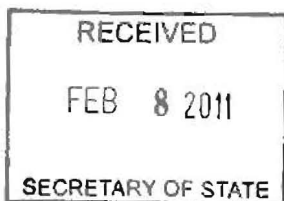
(c) The next distribution of firefighters relief funds following a redetermination shall be computed as follows:

(1) The new base allocation percentage for each association that was redetermined shall be added to the new base allocation percentage of any associations eligible for the distribution that were new or merged since the last distribution and the prior year's allocation percentage for all other active associations.

(2) The sum computed in paragraph (c)(1) shall be divided into 100.

(3) The quotient computed in paragraph (c)(2) shall be multiplied by the new base allocation percentages and the prior year's allocation percentages so that the total of all percentages of associations eligible for the distribution equals 100.

(d) The allocation formula prescribed by this regulation shall also be used when distributions are determined for new or merged associations. Any association that has failed to qualify for funds for two consecutive years may resume participation as a new association by submitting the information required by K.A.R. 40-10-2(d) and K.S.A. 40-1706(a), and amendments thereto. (Authorized by K.S.A. 40-1707(g); implementing K.S.A. 2010 Supp. 40-1706; effective P-_____.)



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ECONOMIC IMPACT STATEMENT

Proposed Kansas Administrative Regulation 40-10-16

Pursuant to K.S.A. 2010 Supp. 77-416(b) the Kansas Insurance Department (KID) submits the following description of the economic impact of the above referenced proposed regulation K.A.R. 40-10-16:

1. This regulation prescribes the formula to be used by KID when making the annual redetermination allocation for Firefighters Relief Associations (FRAs); the formula used calculating new base allocation percentages; and the method for computing the distribution of FRA relief funds. These calculations will also be used for new, merged and re-qualified FRAs.

2. The economic impact, if any, would be minimal because this methodology has already been used by KID in annual redetermination orders issued the past two years.

3. There will be little or no economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.

