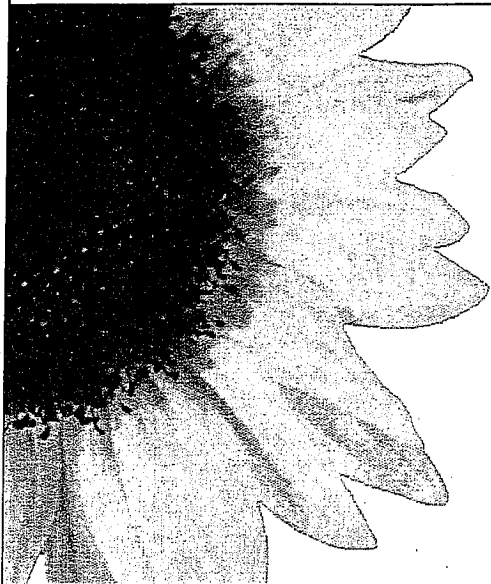


Kansas Insurance Department



Insurance in Kansas-2013

Presentation to the
Kansas Senate Committee
on Financial Institutions and
Insurance

Jan. 22, 2013

Sandy Praeger

Commissioner of Insurance

National perspective

- Over \$1.7 trillion in annual premiums from consumers --Health, 36.8%; Life/Annuities, 34.8%; P&C, 27.2%

- States collected more than \$19.2 billion in revenues from insurance sources

- 11,600 regulatory personnel nationwide

- 6,296 domestic insurers

(2011 figures)



Perspectives



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Senate Financial Institutions & Ins.



Date: _____


Attachment # _____

	<h2 style="text-align: center;">Kansas perspective</h2> <ul style="list-style-type: none">• \$14.64 billion in premium volume (2011 figures)• Approximately 125 FTE in Kansas at the Insurance Department (20% decrease since 2003)• 63 insurance entities located in Kansas• FY 2014 requested budget -- \$29.998 million (fee funded)• Fourth nationally in the number of out-of-state companies doing business in the state – <i>more than 230 additional companies admitted since 2003</i> 
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	<h2 style="text-align: center;">Kansas Insurance Dept. mission</h2> <ul style="list-style-type: none">• <u>Regulate the industry</u><ul style="list-style-type: none">• 1,660 companies are licensed to sell policies here• 85 agent legal orders issued in 2012• Approx. 22,000 resident agents, 80,000 nonresident agents• Online application process• <u>Educate consumers</u><ul style="list-style-type: none">• KID publishes more than three dozen booklets, pamphlets and rate guides• 274 media interviews in 2012• 162 community presentations in 2012 
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 Perspectives About KID Legislative Considerations	<h2 style="text-align: center;">Our mission</h2> <ul style="list-style-type: none">• <u>Advocate</u> for consumers<ul style="list-style-type: none">• Consumer Assistance Division inquiries, complaints, recoveries<ul style="list-style-type: none">• Toll-free number—quick response• 7,867 inquiries closed in 2012• 3,096 complaints closed in 2012• \$4.857 million recovered for consumers in 2012 (over what companies had offered) 
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 Perspectives About KID Legislative Considerations	<h2 style="text-align: center;">Our mission</h2> <p>Other mission concerns:</p> <ul style="list-style-type: none">• Working to strengthen competitive balance in Kansas marketplace• Working for affordable health care for all Kansans• Fighting insurance fraud – 820 cases handled by our Anti-Fraud Division in 2012• Overseeing Firefighters Relief Fund (\$10.4 million) to more than 580 firefighter districts in Kansas to enhance firefighter benefits in those districts. 
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Regulated insurance

Kansas Insurance Department oversight:


- Auto
- Homeowners
- Renters
- Health
- Life
- Annuities
- Long-term Care
- Medicare Supplement
- Workers' compensation



Perspectives


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Our divisions



Accident & Health	Producers
Property & Casualty	Life
Administrative Services	Legal
Anti-Fraud	Financial Surveillance
Consumer Assistance & Market Conduct	Government & Public Affairs







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 Perspectives About KID Legislative Considerations	<h2 style="text-align: center;">Department Facts</h2> <h3 style="text-align: center;">Consumer Assistance & Market Conduct</h3> <ul style="list-style-type: none">• Staff of trained personnel to assist <i>by telephone or in person with questions</i> • Provides free assistance if you have a dispute with your insurance company • Recovered more than \$106 million since January 2003 for Kansas consumers 
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 Perspectives About KID Legislative Considerations	<h2 style="text-align: center;">Department Facts</h2> <h3 style="text-align: center;">2012 activities</h3> <ul style="list-style-type: none">• NAIC accreditation—five-year recertification • Accident and Health Rate Review activities • Federal Affordable Care Act (ACA) preparation, research and recommendations 
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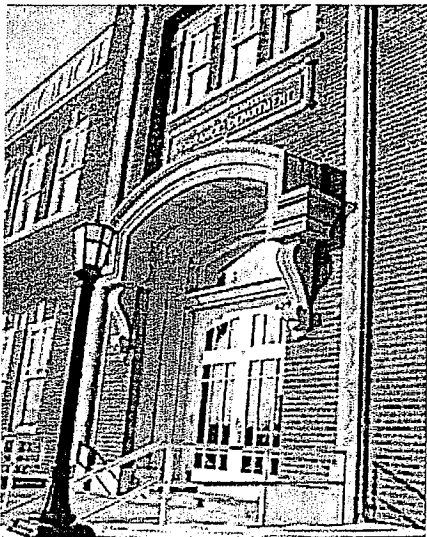
 <p>Perspectives</p> <p>About KID</p> <p>Legislative Considerations</p>	<h2>ACA Provisions - current issues</h2>
	<ul style="list-style-type: none"> • Implementation of current ACA provisions as established in law in 2010 • Provisions set to go into effect in 2014 • Differences in types of health insurance exchange marketplace concepts
	

 <p>Perspectives</p> <p>About KID</p> <p>Legislative Considerations</p>	<h2>Current department legislative considerations</h2>
	<ol style="list-style-type: none"> 1. P&C/Life Risk-based capital (SB 24) - (1) updates the instructions insurers use to determine RBC to the current 2012 version; (2) updates the RBC formula for Life and Health insurers. Both changes are accreditation standards. 2. Health Organizations Risk-based capital (SB 25) - updates the RBC formula for health organizations based on accreditation standards. 3. Limited Lines Definitions/C.E.C. (SB 26) - amendments to limited lines statutes to add certain definitions of limited lines insurance and to remove continuing education requirements for certain limited lines of insurance based on agent reciprocity standards.
	

 Perspectives About KID Legislative Considerations	<h2 style="text-align: center;">Current department legislative considerations</h2> <ol style="list-style-type: none">4. Insurance Holding Companies (HB 2007) – brings Kansas laws in line with national accreditation standards for review of the financial requirements of insurance holding companies. Key provisions include supervisory colleges, enterprise risk reporting, and enhanced confidentiality.5. Penalty Provision Revisions - technical amendments to correct invalid references to a repealed statutory penalty provision and to repeal an obsolete penalty provision and replace references to it as well. 
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 Perspectives About KID Legislative Considerations	<h2 style="text-align: center;">Help for Consumers</h2> <p style="text-align: center;">“In order for us to adequately protect consumers, it is not merely enough for us to effectively and efficiently <i>regulate</i> the business of insurance. It is just as important for us to proactively <i>educate</i> consumers and continuously <i>advocate</i> on their behalf.”</p> 
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