

MINUTES OF THE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairperson Senator Ruth Teichman at 9:30 a.m. on January 28, 2003 in Room 234-N of the Capitol.

All members were present except: Senator Brungardt
Excused

Committee staff present: Ken Wilke, Office of the Revisor of Statutes
Dr. Bill Wolff, Kansas Legislative Research Department
Marlene Putnam, Committee Secretary

Conferees appearing before the committee: Insurance Commissioner Sandy Praeger
Risk Based Capital Requirements

Others attending: See attached list

Commissioner Praeger explained that the NAIC began taking steps to establish risk-based capital standards for life and property casualty insurers in 1990. Implementation for life companies began in 1993, and for property/casualty companies in 1994.

RBC level means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC. (See attachment)

She then went through the different levels of insurance companies. (See attachment)

Discussion followed by the committee

It was explained by Patrick Mulvihill, Kansas Insurance Department as to how companies calculate the RBC level. It is then cross checked by NAIC.

Commissioner Praeger explained that **SB-26** is an ACT concerning insurance; relating to risk-based capital requirements; amending K.S.A. 2002 Supp. 40-2c01 and repealing the existing section regarding the date from 2001 to 2002.

Senator Corbin moved to place **SB-26** on the consent calender. Senator Adkins seconded the motion. Motion Passed.

Senator Teichman asked for approval of the minutes of January 21 and 23rd.

Senator Salmans so moved, seconded by Senator Buhler.

Motion carried

Meeting adjourned.