

SESSION OF 2017

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2043

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2043 would eliminate provisions directing the Insurance Commissioner (Commissioner) to conduct an examination of the affairs and financial condition of municipal group-funded liability pools and group-funded workers compensation pools every five years. Instead, under the bill, the Commissioner would be permitted to conduct these examinations as the Commissioner deems necessary. The bill also would modify the examination period associated with the Kansas Insurance Guaranty Association to be consistent with the examination period specified for the Kansas Life and Health Insurance Guaranty Association.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the House Committee on Insurance at the request of the Kansas Insurance Department (Department). In the House Committee on Insurance and Senate Committee on Financial Institutions and Insurance hearings, the Deputy Insurance Commissioner stated the Department currently receives certified audited annual financial statements and quarterly financial statements, which are evaluated to address the financial operations of each pool. A representative of the Kansas Self-Insurers Association also appeared in support of the bill and noted the

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Commissioner is permitted by law to examine the affairs and financial condition of any pool, as deemed necessary. Representatives of the Kansas Chamber and the Kansas Livestock Association also appeared in support of the bill. No neutral or opponent testimony was provided.

The Senate Committee amended the bill to change the effective date to publication in the *Kansas Register*.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Department states enactment of the bill would reduce costs associated with the mandatory examination of pools every five years. However, any savings to the Department would be negligible.