

KANSAS INSURANCE DEPARTMENT
Notice of Hearing on Proposed
Administrative Regulation

A public hearing will be conducted at 1:30 p.m., November 28, 2012, in the third floor conference room, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, to consider the adoption of the proposed rules and regulations.

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 rules and regulations. 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 regulations during the hearing.

A summary of the proposed regulations and their economic impact follows.

K.A.R. 40-1-20. Same; subrogation clause prohibited for certain coverages. This amendment to the existing regulation would clarify that the prohibition against subrogation clauses in health insurance policies applies to all health insurers and not just those identified as companies. This clarification is consistent with longstanding practice.

Because current practice is consistent with this clarification there is no economic impact on health insurers.

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

K.A.R. 40-1-50. Insurance scoring; definitions; requirements. This amendment to the existing regulation would specify the manner in which insurers would notify consumers about their right for an annual review of risks and rates under the Kansas insurance score act.

Although the notice requirement is imposed by statute, this proposed amendment would require a change in the manner of providing that notice which might have a minimal impact upon affected insurers.

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

K.A.R. 40-1-52. Written notice to claimants of payment of claim in third-party settlements. This proposed regulation would require insurers to notify claimants in third-party liability matters if settlement payments of \$5,000 or more are delivered to the claimant's lawyer or other representative.

The requirement to provide this notice would have a minimal impact on insurers not already providing this notice and no impact on insurers who already provide this notice.

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

K.A.R. 40-2-14a. This proposed amendment would adopt by reference the updated version of the National Association of Insurance Commissioners' Suitability in Annuity Transactions Model Regulation. Specifically, KID has adopted a policy dated June 6, 2012 that would modify the model regulation to be consistent with Kansas law.

There should be minimal economic impact on insurers and insurance agents. Specifically, the amendment requires agents to have additional annuity training and requires insurers to develop a system of supervision, including ensuring that agents meet the additional training requirement. Any economic impact will be mitigated by the reduced compliance costs resulting from greater uniformity with standards in other states.

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 any 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 any 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.