

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2532

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2532, as amended, would amend provisions pertaining to certain financial reporting requirements on group-funded liability and group-funded workers compensation pools and would also remove a notification requirement relating to termination or cancellation of a member in a group-funded workers compensation pool.

Under current law, group-funded liability and group-funded workers compensation pools must submit a certified, independent financial statement within 150 days after the end of the fiscal year whenever the Commissioner of Insurance deems it necessary to examine the affairs and financial condition of any pool. The bill would increase the time limit specified to 180 days.

The bill would also remove a requirement on group-funded workers compensation pools to provide notice to the Commissioner of a cancellation or termination of an individual member. Pool members would be required to maintain coverage for 30 days or until the canceled or terminating member has procured workers compensation and employer's liability coverage.

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

*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>

Background

The bill was introduced by the House Committee on Insurance at the request of the Kansas Insurance Department (Department). [Note: A companion bill, SB 338, has been introduced in the Senate.]

House Committee on Insurance

In the House Committee hearing, a representative of the Department provided proponent testimony stating the Department submitted the bill after discussion with the pools regarding the difficulty in finding an auditor to complete the audit with the time frame specified in current law. The representative noted the notification requirement placed on group-funded workers compensation pools is no longer necessary.

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, a representative of the Department provided **proponent** testimony, stating the bill would address the present concerns regarding timing and completion of pools' audits and help ensure the pools can remain in statutory compliance with reporting requirements.

No other testimony was provided.

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

Fiscal Information

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 not have a fiscal effect on agency operations.

Insurance; group-funded pools; reporting requirements