

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 29

As Amended by Senate Committee on
Insurance

Brief*

SB 29, as amended, would amend the effective date specified in the Insurance Code for the risk-based capital (RBC) instructions promulgated by the National Association of Insurance Commissioners (NAIC) for property and casualty companies and for life insurance companies. The instructions currently specified became effective on December 31, 2019. The bill would update the effective date on the RBC instructions to December 31, 2020.

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

Background

The bill was introduced by the Senate Committee on Insurance at the request of the Kansas Insurance Department (Department). [Note: A companion bill, HB 2072, has been introduced in the House.]

Senate Committee on Insurance

In the Senate Committee hearing, a representative of the Department provided **proponent** testimony, stating the goal is to ensure each Kansas domestic company has the required amount of capital needed to support its overall business operations in consideration of its size and risk

*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>

profile. The bill updates the RBC instructions, which instruct companies to calculate and report RBC, to the current version. [*Note:* In 2009, a legislative oversight process for updating the annual RBC instructions was established. This process allows the Department to update the requirements by rules and regulations, unless one of two statutory triggers has been met.]

No neutral or **opponent** 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 Budget on the bill, as introduced, the Department states enactment of the bill would have no fiscal effect.

Insurance; risk-based capital; NAIC; reporting