

## HOUSE BILL No. 2513

By Committee on Insurance

1-27

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1 AN ACT concerning insurance; pertaining to examination fees; amending  
2 K.S.A. 2013 Supp. 40-223 and repealing the existing section.  
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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2013 Supp. 40-223 is hereby amended to read as  
6 follows: 40-223. (a) (1) Except as provided in K.S.A. 40-110 and 40-253,  
7 and amendments thereto, any person who makes any examination under  
8 the provisions of this act may receive, as full compensation for such  
9 person's services, on a per diem basis an amount fixed by the  
10 commissioner, which shall not exceed the amount recommended by the  
11 national association of insurance commissioners, for such time necessarily  
12 and actually occupied in going to and returning from the place of such  
13 examination and for such time the examiner is necessarily and actually  
14 engaged in making such examination including any day within the regular  
15 workweek when the examiner would have been so engaged had the  
16 company or society been open for business, together with such necessary  
17 and actual expenses for traveling and subsistence as the examiner shall  
18 incur because of the performance of such services.

19 (2) For the purposes of this act, "necessary and actual expenses" shall  
20 be limited, whether for travel within the state or travel outside the state, to  
21 those limitations expressed in K.S.A. 75-3207, and amendments thereto,  
22 which pertain to official travel outside the state. The daily charge shall be  
23 calculated by dividing the amount the examiner is authorized by the  
24 commissioner of insurance to charge per week by the number of days in  
25 the regular workweek of the company or society being examined.

26 (b) (1) All of such compensation, expenses, the employer's share of  
27 the federal insurance contributions act taxes, the employer's contribution to  
28 the Kansas public employees retirement system as provided in K.S.A. 74-  
29 4920, and amendments thereto, the self-insurance assessment for the  
30 workmen's compensation act as provided in K.S.A. 44-576, and  
31 amendments thereto, the employer's cost of the state health care benefits  
32 program under K.S.A. 75-6507, and amendments thereto, a pro rata  
33 amount determined by the commissioner to provide vacation and sick  
34 leave for the examiner not to exceed the number of days allowed state  
35 officers and employees in the classified service pursuant to regulations  
36 promulgated in accordance with the Kansas civil service act, all outside

1 consulting and data processing fees necessary to perform any examination,  
2 and a pro rata amount determined by the commissioner not to exceed an  
3 annual aggregate of \$18,000 to fund the purchase, maintenance and  
4 enhancement of examination equipment and computer software shall be  
5 paid to the commissioner of insurance by the insurance company or  
6 society so examined, on demand of the commissioner.

7 (2) The amount paid for all outside consulting and data processing  
8 fees necessary to perform any financial examination at any one company  
9 or society, including examination of such company's or society's  
10 subsidiaries or any combination thereof, and the pro rata amount to fund  
11 the purchase of examination equipment and computer software shall not  
12 collectively total more than:

13 (A) \$50,000 for any insurance company or society which has less  
14 than \$200,000,000 in gross premiums, both direct and assumed, in the  
15 preceding calendar year; or

16 (B) ~~\$100,000~~ \$150,000 for any insurance company or society which  
17 has \$200,000,000 or more in gross premiums, both direct and assumed, in  
18 the preceding calendar year.

19 (3) The amount paid for all outside consulting and data processing  
20 fees necessary to perform any market regulation examination at any one  
21 company or society, including examination of such company's or society's  
22 subsidiaries, or any combination thereof, and the pro rata amount to fund  
23 the purchase of examination equipment and computer software shall not  
24 collectively total more than \$25,000.

25 (c) Such demand shall be accompanied by the sworn statement of the  
26 person making such examination, setting forth in separate items the  
27 number of days necessarily and actually occupied in going to and returning  
28 from the place of such examination, the number of days the examiners  
29 were necessarily and actually engaged in making such examination  
30 including those days within the regular workweek while the examination  
31 was in progress and the company or society had closed for business, and  
32 the necessary and actual expenses for traveling and subsistence, incurred  
33 in and on account of such services.

34 (d) A duplicate of every such sworn statement shall be kept on file in  
35 the office of the commissioner of insurance. All moneys so paid to the  
36 commissioner of insurance shall be remitted to the state treasurer in  
37 accordance with the provisions of K.S.A. 75-4215, and amendments  
38 thereto. Upon receipt of each such remittance, the state treasurer shall  
39 deposit the entire amount in the state treasury to the credit of the insurance  
40 company examination fund. The state treasurer shall issue duplicate  
41 receipts therefor, one to be delivered to the commissioner of insurance and  
42 the other to be filed with the director of accounts and reports.

43 Sec. 2. K.S.A. 2013 Supp. 40-223 is hereby repealed.

1       Sec. 3. This act shall take effect and be in force from and after its  
2       publication in the statute book.