

## SENATE BILL No. 25

By Committee on Financial Institutions and Insurance

1-16

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1 AN ACT concerning insurance; relating to risk-based capital requirements  
2 for health organizations; amending K.S.A. 40-2d05 and repealing the  
3 existing section.

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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 40-2d05 is hereby amended to read as follows: 40-  
7 2d05. "Company action level event" means any of the following events:

8 (a) The filing of an RBC report by a health organization which  
9 indicates that-a:

10 (1) *The health organization's total adjusted capital is greater than or*  
11 *equal to its regulatory action level RBC but less than its company action*  
12 *level RBC; or*

13 (2) *the health organization has total adjusted capital which is greater*  
14 *than or equal to its company action level RBC but less than the product of*  
15 *its authorized control level RBC and 3.0, and triggers the trend test*  
16 *determined in accordance with the trend test calculation included in the*  
17 *health RBC instructions as defined in K.S.A. 40-2d01, and amendments*  
18 *thereto.*

19 (b) The notification by the commissioner to the health organization of  
20 an adjusted RBC report that indicates the event described in subsection (a)  
21 if:

22 (1) The health organization does not challenge the adjusted RBC  
23 report pursuant to K.S.A. 40-2d19, and amendments thereto; or

24 (2) the commissioner has rejected such challenge after a hearing.

25 Sec. 2. K.S.A. 40-2d05 is hereby repealed.

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

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