

PTAC Meeting Summary September 24, 2008

The Premium Tax Advisory Council met last week on September 24, so I wanted to give you a brief summary of the meeting. I have attached an agenda for the meeting (with edited future meeting dates), the minutes from the 8-27-08 meeting, and the minutes of a conference call held by the Future Reforms Subcommittee that was held on September 22.

The meeting started out with a discussion of the appeals process as outlined in HB 524. The two principal items of discussion were the effective date of the new appeals process and the notice required under the bill.

As we did last month, we had further discussion about when the new appeals process becomes effective. Those of us who worked on the bill are unanimous in our contention that the effective date for the new process was the effective date of the bill, which was July 15.

KDOI contends that it would not start until January 1 when the statute of limitations changes, an interpretation that is not supported by a plain reading of the bill. KDOI plans to contact the sponsor of the bill, Rep. Steve Riggs, and Rep. Arnold Simpson, who was our chief obstacle.

The other item of discussion was the requirement in the bill that communications among local governments, policyholders, and insurance companies must take place by mail with a return receipt. That will impose a burden on policyholders, but it was the only effective way to determine when the clock would start running on the many deadlines in the bill. The industry and others indicated a willingness to revisit this requirement if it proves to be too burdensome.

The Subcommittee reports were presented next, with most of the discussion taking place on Risk Location Criteria and Future Reforms. Following is a quick summary of the highlights:

Risk Location Criteria: There is a great deal of work going on now to make sure that cities have submitted their latest boundary data to the Secretary of State, and to resolve discrepancies on the boundaries between the SOS and the vendors. This has been an ongoing process for years, and HB 524 accelerated its importance.

Future Reforms: The minutes attached should provide a summary of the discussion that took place regarding the issues. The main item of note is that there seems to be a growing consensus that any legislative changes should wait until the long session in 2010 rather than attempting to tackle them in 2009.

The remaining subcommittees had either not met since the last meeting or did not have much significant to report. I do have a Data Collection Subcommittee Conference Call on October 2. There is also a conference call scheduled for October 8 to further discuss Future Reforms. It will not be open to all comers, but I would invite each of you to submit topics for discussion or questions to be addressed.

Following subcommittee reports I raised a question under new business. I asked KDOI what the plans were to answer the questions that had been raised by various carriers about implementing the bill. The reply was that KDOI is now working on a Frequently Asked Questions (FAQ) list and hopes to release it soon.

The meeting adjourned until October 22, the date of our next meeting.

Please let me know if you have any questions regarding this meeting or any related issues.

Regards,

Mark