

**PTAC Meeting Summary
October 21, 2009**

Following is a summary of the October 21, 2009 Premium Tax Advisory Council Meeting. I will key each of the items to the agenda for the meeting which is enclosed under separate cover.

V. Demonstration of Electronic Annual Reconciliation System

The project for the e-filing of the Annual Reconciliation is now complete. Insurers will now be required to file with KDOI electronically, but hard copies will still need to be filed with local governments.

When companies file with KDOI they may do so in one of two ways:

1. Direct transmission to KDOI of a file in a prescribed format using file transfer protocol (FTP). This method would likely be employed by larger companies.
2. Filing online by entering data using e-services on the KDOI website. This method would likely be used by small companies or those which only write in a few locations.

Russ Hamblen of KDOI provided a demonstration of filing by e-services, but there was no demonstration of ftp filing. There are user guides available [here](#) that provide guidance for insurance companies, surplus lines brokers, and local governments.

The five documents are listed under the first heading which is titled "Annual Reconciliation Electronic Submission" and they can be summarized as follows:

1. FTP file transmission information for insurance companies.
2. FTP file transmission information for surplus lines brokers.
3. E-services guide for local governments.
4. E-services guide for insurance companies.
5. E-services guide for surplus lines brokers.

The demonstration that was provided by KDOI is substantially similar to the information beginning on page 22 of document # 4 above or on page 16 of # 5. The demonstration is not online in any other format.

VI. Subcommittee Reports

A. Risk Location

There are now 16 vendors which are listed as verified by KDOI. The list is available on the KDOI website [here](#). Note: The list does not seem to have been updated on the website since the August report, so some vendors may not yet be listed. Those looking for a vendor not on the list may need to check back periodically to see if the list has been updated.

B. Due Diligence

The Due Diligence Subcommittee held a conference call on October 19 and held a lengthy discussion primarily involving surety bonds. The chart has been updated, and

should be available [here](#) on the KDOI website. However, the chart currently shown does not seem to have been updated for some time.

C. Data Collection

I reported that the Subcommittee had not met since the last PTAC meeting and that we had no pending issues following the completion of the Annual Reconciliation E-filing project.

D. Education

There is now a draft of an updated Implementation Guide that is attached under separate cover.

E. Future Reforms

The Subcommittee again discussed the bill draft (attached under separate cover) that deals with the following “technical correction” issues:

- Clarify the effective date for Section 2(1) was at the effective date of the bill.
- Bring surplus lines brokers into the disclosure requirements. They were not included previously, probably inadvertently.
- Clarify that the ongoing disclosure requirement applies to new policies, not just renewals.

This bill will not be a KDOI bill, but KODI will support it. I have been working on arranging a meeting of the insurance company and local government representatives who worked on HB 524 so that we might discuss the bill draft and work on getting it filed

VII. Old Business

None

VIII. New Business

None

IX. Next Meeting Date

The Committee will meet in January at a date yet to be decided.

There being no further business the meeting adjourned.