

Approved

02-26-2012

(Date)

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

The meeting was called to order by Chairperson Ruth Teichman at 9:30 AM on Thursday, January 26, 2012 in 152-S of the Capitol.

All members were present except:

Senator Masterson
Senator Steineger

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes
Melissa Calderwood, Legislative Research Department
Heather O'Hara, Legislative Research Department
Marilyn Arnone, Committee Assistant

Conferees appearing before the Committee:

Judi Stork, Deputy Bank Commissioner
Kris Kellim, Kansas Department of Insurance
Representative Virgil Peck, Kansas House of Representatives

Others in attendance:

See attached list.

Chair Teichman called the meeting to order and asked for bill introductions.

Judi Stork requested a bill introduction to update the Kansas money transmitter act, to clarify types of municipal investments, to grant commissioner enforcement over unlicensed companies, to allow commissioner disciplinary tools such as fingerprinting and to allow the commissioner to bar individuals from licensure.

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Senator Longbine moved, Senator Olson seconded, to accept the introduction of the bill. Motion carried.

Chair Teichman introduced a bill that would create the Kansas Management Company Registration Act concerning registration and regulation of appraisal management companies.

The Chair moved, Senator Olson seconded to accept the introduction of the bill. Motion carried.

Chair Teichman opened the hearing on **SB 71–Increasing continuing education requirements for insurance agents** and asked Ken Wilke to explain the bill.

Mr. Wilke said this was a balloon that contains legislation the Insurance Department has requested. It is a gut and go bill that removes the contents of **SB 71** and puts amendments into the contents. The idea is to add additional lines of insurance for licensure to what is allowed and also make provisions for fingerprinting and criminal record check for certain insurance agents and public adjusters. The reference to increasing Continuing Education Credit requirements was removed.

Kris Kellim spoke in support of the balloon amendment to **SB 71**. Mr. Kellim introduced Tom Whalen, Director of Producers Division, who oversees agent licensing. Last session, **SB 71** was introduced proposing comprehensive changes to the C.E.C requirements for licensed insurance agents. This substitute bill would strike the original language of **SB 71** and replace it with language based on the conceptual amendments the Department previously offered. Those changes include three distinct pieces, Limited-Lines, Fingerprinting and National Criminal History Checks, and “demonstrated any trait.” The Department recommends **SB 71** favorable for passage. (Attachment 1)

Representative Virgil Peck spoke in opposition to **SB 71**. Representative Peck, an Insurance Agent, believes the number of hours of Continuing Education is more than adequate now. An agent can receive credits by merely being in the class whether he benefits from it or not. The C.E.Cs are expensive and time consuming. This bill removes the requirement that the Commissioner assign titles to the courses such as life insurance or proper and casualty. This

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means that an agent can take any course for credit even if it is not applicable to the product that he sells. The C.E.Cs are not about protecting consumers or making better agents. Representative Peck would like to see **SB 71** die in committee. (Attachment 2)

Chair Teichman closed the hearing on **SB 71**.

There being no further business, the Chair adjourned the meeting at 10:15 am. The next meeting will be on January 31, 2012.

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