

Approved: 3-26-2012

(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, February 9, 2012 in 152-S of the Capitol.

All members were present except:

Senator Holland
Senator Steineger

Committee staff present:

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

Conferees appearing before the Committee:

Haley DaVee, Kansas Credit Union Association
John Smith, Administrator, Kansas Department of Credit Unions

Others in attendance:

See attached list.

Chair Teichman opened the meeting and said there would be consideration on three bills for Final Action this morning.

The first bill for Final Action was **SB 273–Fees for examination of insurance company.** Melissa Calderwood gave a brief overview of the bill stating that this bill was requested for introduction by the Insurance Department to remove the statutory cap for fees from the amount specified at \$25,000 to \$100,000 for companies with less than 50 million in gross premiums and to have no cap for other companies with more than 50 million in gross premiums. The Insurance Department supported the bill. Security Benefit had a concern about removing the cap and

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suggested an amendment to put a one million dollar cap on companies with gross premiums of over 50 million dollars.

Chair Teichman said she had concerns about the cap. After talking to Insurance Department people as well as people from the insurance industry, who have different opinions, the Chair requested the two groups get together to reach an agreement to the solution for their differences. The Chair feels it is much more productive for the two sides to work together than for the Committee to make the decisions. Final Action on **SB 273** will be rescheduled at a later date.

The next bill for Final Action is **SB 287–Credit union insurance**. Melissa Calderwood gave the overview of the bill and stated that this bill was requested for introduction by the Department of Credit Unions and the Administrator appeared before the Committee in support of the bill. This bill amends and repeals several statutes relating to credit union insurance. The Association of Credit Unions appeared in opposition to this bill and offered an amendment to address their concerns.

There is concern for doing away with some of the statutes. The Chair called on Haley DaVee for comments. Ms. DaVee said the Kansas Credit Union Association would accept the bill with the amendments. The Chair asked John Smith about the amendments and he said The Kansas Department of Credit Unions would accept the amendments.

Mr. Smith requested that an amendment be made to **SB 287** that would allow the Administrator to appoint department personnel into positions within the unclassified service. (Attachment 1)

The Chair told Mr. Smith that the Committee had not been prepared for this amendment. She has concerns about adding anything to this bill. As had been recommended before, it would be better for this amendment to be introduced as a separate bill. That would give an opportunity for a hearing so anyone who wanted to testify could have a chance to do so.

*Senator Masterson moved for adoption of the balloon amendment to **SB 287**. Senator Longine seconded and the motion carried.*

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After discussion, the motion to amend was revised to include technical corrections.

Senator Masterson moved that **SB 287** be passed favorably as amended out of Committee. Senator Merrick seconded and the motion carried.

The Chair called for Final Action on **SB 64—Banking; criminal record history information, requiring fingerprints.** Melissa Calderwood briefed the Committee on the bill. This bill was requested by the bank commissioner. Following Committee discussion and interim study last year, the Commissioner returned with proposed amendments that would remove the application to the bank charter or the acquisition of a bank or holding company; that language has been removed. The items that remain in the bill are trust companies and money transmitter companies and those would still be subject to the requirements of fingerprinting of individuals. That language is permissive language. The discussion of the Committee concerned fingerprinting of shareholders. Mr. Wilke added there needs to be a substitute bill for **SB 64.**

Senator Olson moved that the word “shareholder” be removed from Page 5, line 4, of SB 64. Senator Schmidt seconded and the motion carried.

Senator Masterson moved that the balloon with the changes be adopted and a substitute bill be recreated. Senator Olson seconded and the motion carried.

Senator Masterson moved that a substitute for **SB 64** be passed favorably out of Committee. Senator Olson seconded and the motion carried.

There being no further business, the meeting was adjourned at 10:05 AM. The next meeting will be on February 14, 2012.

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