

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on February 2, 2005 in Room 234-N of the Capitol.

All members were present except:

James Barnett- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department

Terri Weber, Kansas Legislative Research Department

Ken Wilke, Office of Revisor of Statutes

Sandy Yingling, Committee Secretary

Conferees appearing before the committee:

Gary Daniels, Acting Secretary of SRS

Kevin Glendening, OSBC

Others attending:

See attached list.

Madam Chair opened the meeting by announcing that Gary Daniels from SRS would not be present because everyone in the committee had heard their presentation.

Madam Chair asked for bill introductions.

Senator Wysong introduced a bill concerning workman's compensation in relationship to exceptions.

Madam Chair asked for questions, there were none and then took motions. Senator Wilson moved to introduction of the bill and it was seconded by Senator Schmidt. All in favor, unanimous.

Jarrold Forbes from the Kansas Insurance Department had three bills to introduce. The first is a technical amendment simply changes the "agent or broker" references in the insurance departments statutes to "producer"; the second is a technical amendment changing a reference from "subsection (a) to "this section"; and the third is a bill updating the current anti-fraud penalties. (Attachment 1) (Attachment 2) (Attachment 3) (Attachment 4)

Madam Chair asked for questions, there were none and then took motions. Senator Steineger moved to introduction of the bills and it was seconded by Senator Wysong. All in favor, unanimous.

Kevin Glendening, Deputy Commissioner, Office of the State Bank Commissioner introduced a bill concerning amendments to the Kansas Mortgage Business Act relating primarily to strengthening certain enforcement provisions of that Act. (Attachment 5)

Chair Teichman presented a schedule (attached) of the bills that have been introduced in the Senate.

Madam Chair introduced Kevin Glendening to give some background on the UCCC. Kevin gave an overview of the history of CML, regulatory coverage, important expansion of UCCC coverage in 1999 and the purpose of the UCCC and role of Administrator (attached). Chair Teichman questioned if there were any problems to which Kevin answered that because there were loop holes in the law that some charged extremely high fees on small business loans. The rate cap lifted in 1999 and a few years later they were seeing some loans at 300% interest.

Madam Chair asked for questions from the committee, there were none, Madam Chair thanked Mr. Glendening for coming. Madam Chair announced to the committee if anyone had any issues with any of the bills she would like to hear about them.

Meeting was adjourned at 9:53 a.m.