

Approved: January 31, 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 Tuesday, January 17, 2012 in Room 152S of the Capitol.

All members were present.

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:

John Smith, Administrator, Department of Credit Unions
Judi Stork, Deputy Bank Commissioner

Others in attendance:

See attached list.

Chair Teichman opened the meeting and asked for introduction of bills.

John Smith requested introduction of legislation to remove sections of Kansas credit union statutes that provided for private share or deposit insurance for Kansas credit unions until 1992 when mandatory insurance by the National Credit Union Administration was required. He is requesting to amend 3 statutes and remove 14 statutes. (Attachment 1)

Senator Masterson moved to accept the bill introduction, Senator Longbine seconded. The motion carried.

Judi Stork introduced a bill to allow the State Banking Commissioner to appoint regional managers and financial examiner administrators. She also introduced a bill regarding unclassified service; approval of compensation; and exceptions. (Attachment 2)

Senator Masterson moved to accept the introductions; Senator Schmidt seconded. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the SENATE FINANCIAL INSTITUTIONS AND INSURANCE Committee at 9:30 am on Tuesday, January 17, in Room 152S of the Capitol.

The Chair asked Melissa Calderwood to present the Report of the Special Committee on Financial Institutions and Insurance to the 2012 Kansas Legislature.

The Special Committee on Financial Institutions and Insurance met to study three issues – Uninsured Motorists, Criminal History Record Checks and Fingerprinting of Certain Financial Service Representatives, and State Implementation of the Federal Patient Protection and Affordable Care Act. Senator Ruth Teichman chaired the Committee with Representative Clark Shultz as Vice-Chair. Committee members were Senators Longbine, Masterson, Allen Schmidt and Vicki Schmidt; and Representatives Gregory, Landwehr, Mah, McCray-Miller and Mosier. Following is the conclusions and recommendations for the three issues of study.

Uninsured Motorists. The Committee recognized the complexities of the issue of Uninsured Motorists and recognizes the valuable commentary provided on the topic including: Insurance verification methods; Incentives to lower rates of uninsured motorists; Penalties for non-compliance; Identification of unregistered vehicles, for which insurance is verified only when such vehicle is involved in an accident; Complexities of how automobile insurance is written for vehicles owned and insured by commercial entities; Verification systems in areas where uninsured motorists are concentrated; Current State processes for annual insurance verifications related to vehicle registration; Law enforcement processes for insurance verification and enforcement; Technology issues related to the current system and a potential real-time verification system; and The Division of Motor Vehicles Modernization Project, which is near completion and is designed to replace aging mainframe systems used for driver licensing and motor vehicle titling and registration with a single computerized system.

The Committee request its report be directed to the House and Senate Transportation Committees and recommended that interested agencies, parties, and conferees continue their communication on the topic and report when legislative action is appropriate. This would allow time to evaluate the impact of 2011 **SB 136**, the DMV Modernization Project, and the development and implementation of the State's new information technology infrastructure.

Criminal History Record Checks and Fingerprinting. With regard to fingerprinting and criminal history record checks for certain individuals, the Special Committee on Financial Institutions and Insurance requested its report be directed to the House Financial Institutions and the Senate Financial Institutions and Insurance committees and include the following: The Special Committee recognizes that testimony was heard on **SB 64** during the 2011 Legislative Session and amendments were offered at that time; no action was taken. The Special Committee

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recommends that the Senate Financial Institutions and Insurance Committee schedule a hearing on **SB 64** (including the amendments submitted by the OSBC and the amendment to exclude publicly traded corporations and their subsidiaries from fingerprinting/backgrounds checks) at a date that would allow time for consideration by the House Financial Institutions Committee.

The Committee recognizes that testimony was heard on **SB 71** during the 2011 Legislative Session, and amendments were offered at that time; no action taken. The Committee recommends the Senate financial Institutions and Insurance Committee schedule time to review **SB 71**, including its fingerprinting amendment offered by the KID, prior to the 2012 Committee bill deadline, to allow time for consideration by the House Insurance Committee.

Due to time restraints, the third part of the report will be presented at a later date.

The meeting was adjourned at 10:30 am. The next meeting will be on January 18, 2012.