

Approved: 03-26-2012

(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 Tuesday, February 7, 2012 in 152-S of the Capitol.

All members were present except:
Senator Masterson

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:
Kris Kellim, Kansas Insurance Department

Others in attendance:
See attached list.

Chair Teichman said the task today was Final Action on **SB 71–Substitute for SB 71 by Committee on Financial Institutions and Insurance -- Insurance agents; additional lines, fingerprinting and criminal history record check requirements** and asked for an overview of the bill.

Mr. Wilke said **SB 71** originally dealt with insurance agents and continuing education. During the time of the hearing on the bill there was a proposed change regarding stripping out section 1 and replacing it with a balloon that recreated the amendment that was in the original balloon with one difference that the new one may include regulatory compliance. The Insurance Department wanted to add some additional sections dealing with fingerprinting. A provision is to allow the Commissioner to require an applicant for a license to be fingerprinted. This is for new agents

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, February 7, in 152-S of the Capitol.

only, not renewals. The language regarding “a trait” that could cause problems was removed by the Insurance Department as the Committee was uncomfortable with that part. Similarly, added was fingerprinting and criminal history checks on public adjusters who are regulated by the Insurance Department. The amendments have been agreed to by the Insurance Department and the Independent Insurance Agents Association. Also the inclusion of regulatory compliance is agreed to by all parties as well. (Attachment 1)

The Chair asked if this basically alters everything in the bill to just look at fingerprinting and criminal background checks and does not deal with continuing education that had been discussed at the hearing on **SB 71**. Mr. Wilke said it does take out the pieces of the carryover that does include the continuing education requirements in the lines that were there before, but does not deal with carrying credits over from one year to the next. This is a gut and go bill with sufficient amendments that he recommends this bill be turned into a substitute bill.

The Chair asked for comments from the Insurance Department on the bill. Kris Kellim from the Department reiterated that the Department is in agreement with the amendments.

The Chair said she had talked with Representative Peck who had been in disagreement at the original hearing of the bill, and he now will support the new bill, but will also have the opportunity to look at the bill again when it reaches the House.

Senator Taddiken expressed concern that the addition of public adjusters to the bill had not been thoroughly vetted and he thought perhaps this balloon could be adopted and leave out the public adjusters and if it passes out to the House, the public adjusters could make their needs known at that time. The Chair suggested that the public adjusters could be left in the bill and if the House wanted to take it out, it could be done at that time, and in the meantime, the Insurance Department could talk with the public adjusters for their input.

Senator Taddiken moved that the current SB 71 be a substitute bill inserting the balloon without the section on public adjusters. Senator Steineger seconded and the 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, February 7, in 152-S of the Capitol.

Senator Taddiken moved that **SB 71** be passed out favorably as amended. Senator Olson seconded and the motion carried.

Senator Schmidt introduced his Page, Claire Lane from Belpre and her parents, Darlene and David, to the Committee.

The Committee was adjourned at 10:00 AM. The next meeting will be on February 8, 2012.

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.