



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

TESTIMONY ON SB 264

SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE January 24, 2012

Chairwoman and Members of the Committee:

I am Kris Kellim with the Kansas Insurance Department. Thank you for the opportunity to testify in support of SB 264.

This amendment essentially would allow life insurance companies to use trust companies to manage their investments. The law currently provides that life companies can use certain banks that have trust powers for this purpose. This amendment would add trust companies to the available options that life companies have for management of their investments.

The Department's motivation for this amendment is simply to "level the playing-field" between life companies and non-life companies. Last session, the Kansas Legislature passed SB 185, which contained an amendment very similar to the one sought in SB 264. However, SB 185 was limited to companies *other than* life companies, allowing those companies to use trust companies to manage investments. Although SB 185 was not the Department's initiative, the Department's position is that the investment statutes for life and non-life companies should be substantially similar.

As such, we would ask the Committee to recommend SB 264 favorable for passage.

Thank you for the opportunity to appear in support of this bill. I will be happy to stand for questions at the appropriate time.

Kris Kellim
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Kansas Insurance Department