



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

TESTIMONY ON SB 166

SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE February 20, 2013

Chairman 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 166.

The Kansas Insurance Department supports SB 166. The amendments in the bill are based on a national model and have been passed in 19 other states.

SB 166 has a narrow application as it only applies in the rare event of an insolvency of a Kansas insurance company. However, the associated benefits are many. These include making Kansas insurance companies, like Security Benefit Life Insurance Company, more attractive business partners for the netting agreement transactions in question, lowering the associated transaction costs for Kansas companies, improving the ability of Kansas companies to manage risk, and adding a degree of stability in the unlikely event a Kansas company becomes insolvent.

For these reasons, the Kansas Insurance Department supports SB 166 and would ask the Committee to recommend the bill favorable for passage.

Thank you for the opportunity to testify in support of SB 166. I am happy to stand for questions.

Kris Kellim
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Kansas Insurance Department