

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Rep. Robert Tomlinson at 3:30 p.m. on March 1, 2001 in Room 527-S of the Capitol.

All members were present except:                    Representative John Edmonds  
   Representative Nancy Kirk  
   Representative Carlos Mayans  
   Representative Ralph Ostmeyer

Committee staff present:                                Bill Wolff, Legislative Research  
   Ken Wilke, Legislative Revisor  
   Mary Best, Committee Secretary

Conferees appearing before the committee:        Mr. Tom Swank, Security Benefit Group  
   Mr. Dan Gaskill, Kansas Insurance Department

Others attending:    See Attached Guest List

Today's meeting was a hearing on **HB 2473** - Life Insurance companies; relating to replication transactions. Mr. Tom Swank, Security Benefit Life Insurance Company, offered Proponent Testimony to the committee. A copy of the testimony is (Attachment #1) attached hereto and incorporated into the Minutes by reference. Mr. Swank explained that the bill allows Kansas domiciled insurers additional flexibility in managing their investment portfolios. He explained that Insurance Companies have two ways to gain exposure to an access to index, and covered these ways with the committee. He explained the direction the companies wanted to go and the main points. Mr. Swank's handout included material from Merrill Lynch and Hehman Brothers on insurance strategies. Mr. Swank stood for questions. Questions were asked by Chairman Tomlinson, Representatives Huy, Sharp, Phelps. Rebecca Wempe, assisted Mr. Swank in answering the questions.

Mr. Don Gaskill, Kansas Insurance Department, was the next conferee to give Proponent Testimony to the committee. A copy of the testimony is (Attachment #2) attached hereto and incorporated into the Minutes by reference. Mr. Gaskill confirmed the testimony given by Mr. Swank. Mr. Gaskill spoke of an amendment which only Rebecca Wempe had a copy. Ms. Wempe shared the amendment with the committee and explained it carried a new section on definitions, Section A (14) inserting new definition of financial instrument transaction. Section E - paragraph 3 now 4 and explained this new section. As there were no copies, and there appeared to be a language problem, further testimony ceased on this subject.

Written testimony only was submitted by Mr. Bill Sneed on behalf of AmVestors supporting the bill. A copy of the bill is (Attachment #3) attached hereto and incorporated into the Minutes by reference.

With no further testimony or discussion the meeting was adjourned. The time was 4:00. p.m.

The next meeting will be March 6th.