

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on March 8, 2001 in Room 234-N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Ken Wilke, Office of the Revisor of Statutes
JoAnn Buntten, Committee Secretary

Conferees appearing before the committee:

Senator Lynn Jenkins
Scott Miller, Senior Investment Officer, Pooled Money Investment Board
Kevin Glendening, Deputy Commissioner, State Bank Commissioner's Office

Others attending: See attached list.

Discussion and Action on SB 151 - State employee health plan; relating to children of participants

The Chair noted that **SB 151** was referred back to Committee to be reconsidered and further amended. Senator Jenkins briefed the Committee on a balloon of the bill showing an amendment that would provide funding for the pilot program from the Sunflower Foundation or a similar source. (Attachment 1)

After Committee discussion, Senator Barnett made a motion the Committee reconsider its action and adopt the amendment as shown in the balloon of the bill, and that **SB 151 as amended** be recommended favorable for passage, seconded by Senator Steineger. The motion carried.

Hearing on HB 2169 - Investment of state money, securities pledged

Scott Miller, Senior Investment Officer, Pooled Money Investment Board, testified before the Committee in support of **HB 2169** which would require state agencies to ensure that banks pledge sufficient collateral to secure deposits in the agency's bank accounts rather than the PMIB. Mr. Miller noted that the bill would not require any additional personnel nor would it impact PMIB's operating expenses. It is expected that the fiscal impact on agencies with bank accounts would be minimal because confirming the level of securities pledged by the bank could be accomplished along with other activities required to monitor the accounts on a daily basis. (Attachment 2)

There were no opponents to the bill.

After Committee discussion on rates and the effective date of the bill, Senator Feleciano made a motion that the effective date be changed to "Kansas register", and that the Committee recommend **HB 2169 as amended** favorable for passage, seconded by Senator Teichman. The motion carried.

Hearing on HB 2193 - Payday loans; limitation on number of loans to same borrowers

Kevin Glendening, Deputy Commissioner, State Bank Commissioner's Office, testified in support of **HB 2193** which would prohibit a payday lender and related interests from having outstanding to any borrower more than two loans at any one time. (Attachment 3)

Written testimony in support of the bill was also received from Whitney Damron on behalf of the Kansas Payday Loan Association. (Attachment 4)

There were no opponents to the bill.

CONTINUATION SHEET

Senator Feleciano made a motion the Committee recommend **HB 2193** favorable for passage, seconded by Senator Teichman. The motion carried.

Discussion and Action on SB 193 - Insurance; exemption from errors and omissions coverage

During Committee discussion the Chair noted that the bill was requested by the Kansas Association of Funeral Directors. Some members of the Committee expressed concern that passage of this bill would set a precedent and the inevitable pressure on the legislature to exempt others. Other members of the Committee supported the bill and expressed concern with the small town funeral home that sells only a few policies a year and have high minimum premiums.

Senator Brungardt made a motion that the Committee recommend **SB 193** favorable for passage, seconded by Senator Barnett. The motion carried.

Adjournment

The meeting was adjourned at 10:00 a.m. The next meeting of the Committee is scheduled for March 13, 2001.