

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Ruth Teichman at 9:30 a.m. on March 16th, 2004 in Room 234-N of the Capitol.

All members were present except:
Senator David Adkins- absent

Committee staff present:
Bill Wolff, Legislative Research
Terri Muchmore, Legislative Research
Ken Wilke, Office of the Revisor of Statutes
Nancy Shaughnessy, Committee Secretary

Conferees appearing before the committee:
Robert Day, Gov. Office of Health Planning and Finance
Jarrod Forbes, KID

Others attending:
See Attached List

The Chair opened the meeting by stating that this was the last week of Committee meetings and there were several bills she was wanting to work. There are a couple of omnibus bills that are being prepared so that the bills which the Senate FI&I Committee has worked will have a better chance of moving through proper channels on the other House side.

The Chair then opened the hearing on **SB-558—Creating the health business partnership fund, adding duties for the business health policy committee and health partnership**, and welcomed Bob Day.

Bob Day testified as a proponent on the bill (Attachment 1). In 2000, the legislature created the Business Health partnership. The purpose of the legislation was to create a public/private partnership whose goal was to assist small businesses in obtaining health insurance for low wage employees.

Mr. Day stated that the new legislation was proposing three substantive changes. The changes are designed to strengthen the Business Health Policy Committee's oversight of the Partnership's activities and to broaden the language regarding employer contributions.

Ken Wilke questioned the conferee regarding a second fund that is referenced in line 25-37. He believes it may be a duplication. The conferee responded that it was not their intent to set up two funds, it was in error. The Revisor will take a look at the language and find better language which does not create confusion regarding the number of funds.

Jarrod Forbes testified as a proponent on the bill (Attachment 2). He stated that the Commissioner and the Department were generally in support of the bill, but would offer one minor amendment. Page 2, line 39 which would state "within the last two years." The revisor asked for clarification on the two years. The response indicated the time frame was twenty-four consecutive months from the date of the application.

The Chair closed the hearing on **SB 558**.

The Chair wished to discuss and work **HB 2781—Prearranged funeral agreements contracts or plans** and asked Dr. Wolff to comment. Dr. Wolff stated that the bill was requested by the Kansas Banker's Association, and supported by the Funeral Directors Association, Heartland Banker's and The Department of SRS. It has to do with the distribution of funds that might be remaining in a pre-arranged funeral agreement after the services have been provided. The purpose of the bill is to establish who is to provide notice that SRS has an attachment to the balance.

Senator Steineger makes the motion to pass the bill out favorably. Senator Helgerson seconds.

CONTINUATION SHEET

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE at 9:30 a.m. on March 16th, 2004 in Room 234-N of the Capitol.

Motion passes.

HB 2685–**Payday loans, concerning the regulation thereof** is the next bill for consideration. Dr. Wolff commented that the bill amends the one section of the UCCC that establishes how payday loans are to be made in the state. It is the only statute on the books that addresses payday loans.

There are a number of provisions: the bill establishes a seven day minimum term, it limits the number of loans to three for any borrower within a thirty day period of time, requires the lenders to stamp the check immediately, also allows the borrower under the terms specified to rescind the transaction, then it outlines a list of acts and practices that are prohibited in connection with the loan.

Senator Barnett moved that the bill be advanced favorably. Senator Brungardt seconds. Motion passes.

Meeting adjourned at 10:00 A.M..

The next meeting is scheduled for March 17th, 2004.