

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Jeff Longbine at 9:30 am on Wednesday, March 04, 2015, 546-S of the Capitol.

All members were present except:

Senator Jacob LaTurner – Excused

Committee staff present:

Ellen Martinez, Kansas Legislative Committee Assistant

Melissa Calderwood-Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Norm Furse, Office of Revisor of Statutes

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Chris Swickard, Vice President and Associate General Counsel, Security Benefit Life Insurance Company

Cindy Hermes, Director of Public Outreach, Kansas Insurance Department

Others in attendance:

[See Attached List](#)

Senator Longbine opened the meeting by welcoming the KAIA members. Senator Kelly introduced her shadow for the day, Danielle Stithe from Royal Valley High School in Hoyt, Kansas.

Hearing on: HB2066 — Amending certain statutes relating to investments by life insurance and other than life insurance companies.

Senator Longbine opened the hearing on **HB 2066**. Eileen Ma, staff revisor, gave a brief overview of the bill which would amend certain statutes relating to investments by insurance companies.

[\(Attachment 1\)](#)

Chris Swickard, Vice President and Associate General Counsel for Security Benefit Life Insurance Company testified in favor of the bill. The bill would do two basic things: unify language used in Article 2a and 2b of Chapter 40 so that they are easier to use for both insurers and regulators and modernize certain of the investment statutes applicable to Kansas insurers in a manner consistent with what nearby states allow. Security Benefit believes these changes will help Kansas insurers to grow their businesses, serve their customers and compete more effectively with insurers from other states.

The bill would change language to use the term "business entity" which is the preferred term because it recognizes that the businesses take many different forms, from corporations, to limited liability companies to partnerships. There are several other technical and stylistic changes made by the Revisor's office.

It should be noted that these amendments in no way dilute the responsibility of the Kansas Insurance Department to supervise Kansas domiciled insurers, including their investment activity. [\(Attachment 2\)](#)

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions and Insurance at 9:30 am on Wednesday, March 04, 2015, 546-S of the Capitol.

Cindy Hermes, Kansas Insurance Department, testified in favor of the bill. **HB 2066** would bring certain Kansas insurance investment statutes in line with other Midwest states. The Department and the industry are in agreement that amending the investment statutes encourages continuity in regulation and parity in the types of investments that are permitted. For those reasons, the Department is asking the Committee to recommend **HB 2066** favorable for passage. ([Attachment 3](#))

James Hall, Regional Vice President, State Relations, ACLI (written testimony only) ([Attachment 4](#))

There being no further testimony, Senator Longbine closed the hearing at 9:55 A.M.

Senator Longbine advised the Committee that they would be working bills next week. The meeting adjourned at 10:00 A.M.