

Approved February 25, 1986  
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

The meeting was called to order by Sen. Neil H. Arasmith at  
Chairperson

9:00 a.m. ~~p.m.~~ on February 21, 1986 in room 529-S of the Capitol.

All members were present except:

Sen. Burke - Excused

Committee staff present:

Bill Wolff, Legislative Research  
Myrta Anderson, Legislative Research  
Bruce Kinzie, Revisor of Statutes

Conferees appearing before the committee:

None

The minutes of February 20 were approved. Sen. Werts suggested a correction in the last paragraph of the minutes to indicate that the Banking Department be given "regulatory" language.

Discussion began on SB 531. Discussion of suggested amendments on updating course numbers followed. Further discussion followed on line 58-60 suggesting this language be deleted.

Sen. Werts suggested it would be difficult for a citizen to look at the statute and understand subsection (c), page 1. He suggested this language belonged in regulatory rather than statutory language. Sen. Werts suggested amending the bill to eliminate Section 1 and change the title to the effect that the Insurance Commissioner be given authority to determine course requirements.

Discussion followed as to the fact that the same problem exists with the realtors. Discussion also indicated there had been a struggle between the company and independent agents over courses.

Larry Magill of the Independent Insurance Agents suggested to insert in line 25, "completing 40 hours approved by the Commissioner."

Sen. Werts made a conceptual motion to have Bruce Kinzie suggest appropriate language. Sen. Karr seconded the motion. It was suggested that Ron Todd of the Insurance Department confer with Bruce as to appropriate language. Bruce would report back to the committee. The motion carried.

Discussion then focused on SB 555 dealing with amortization of losses by banks. The chairman explained the amendment proposed by the Bank Commissioner's office suggesting a statutory reference and allowing them to adopt rules and regulations.

Sen. Werts suggested incorporating language in line 75 to suggest any regulatory examination. The committee accepted the change.

The motion was made and seconded to allow the precedent in the banking code for exempting the commissioner from the filing act.

Sen. Kerr then moved an amendment that some protection be given large depositors and require that it be clearly in the call report that the amortization of loss be taken care of. Sen. Werts seconded the motion. Committee discussion followed. Motion carried.

Sen. Gannon then suggested that the committee delay action over the weekend on the bill. He said he wished to contact some constituents on the bill.

Sen. Werts said he approved delay because the KBA was trying to reach Sen. Dole, the FDIC, and others to send a message to them.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
room 529-S, Statehouse, at 9:00 a.m.~~p.m.~~ on February 21, 1986

Jim Maag of the Kansas Bankers Association reported that of the banks who had contacted him, 99.5% were in favor of the legislation.

Sen. Harder then moved SB 555 as amended favorable for passage. Sen. Kerr seconded the motion.

Sen. Gannon made a substitute motion to delay the action on SB 555. The motion was seconded. The motion failed. The vote on the original motion for favorable passage carried.

Discussion then turned to SB 499 dealing with caskets. The chairman outlined the alternatives possible on the bill. The first alternative would be to put the auditing requirement for funeral home contracts in the office of the Commissioner of Insurance. Since the Secretary of State already has information for corporate agreements, it might be feasible to have them do the audit since they currently audit the cemetery contracts. Mr. Brier was invited to appear but did not appear. The second alternative would be to have a simple amendment and have the auditing put in the Secretary of State's office. Another possibility would be to do nothing and put it in interim study. Another alternative would be to pass the bill and still put it in interim study.

Committee discussion of previous studies followed. It was suggested that the problem was to resolve the dispute between the cemetery organization and the funeral directors. Discussion followed as to whether or not the bill would stop further solicitation.

Sen. Gannon moved SB 499 be reported favorably without amendment. The motion was seconded. Sen. Kerr spoke against the motion. Sen. Werts said he thought the bill should go into interim study. Following further committee discussion, the motion to report the bill favorably carried.

The meeting was adjourned.

SENATE COMMITTEE

ON

FINANCIAL INSTITUTIONS AND INSURANCE

OBSERVERS  
(Please print)

DATE	NAME	ADDRESS	REPRESENTING
	A. Hawes	Topeka	0412-1041
	Jim M. Bicker	Topeka	Observer
	Michael A. Heitman	Auburn	State Banking Dept.
	Juel Wright	Topeka	KS Credit Union League
	Jim Snyder	"	FFDA
	Mack Smith	"	KS St Bd of Mortuary Arts
	Ron Todd	"	Ins. Dept.
	Jim Magill	"	KBA
	LARRY MAGILL	"	INDEP INS. AGENTS
	John Peterson	"	The Century Club