

Approved: 2-25-09
Date

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 a.m. on February 11, 2009, in Room 136-N of the Capitol.

All members were present except:
Senator Jeff Colyer

Committee staff present:
Bruce Kinzie, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the committee:

Melissa Calderwood, Principal Analyst
Larry Magill, KAIA (Attachment 1)
Chris Wilson, Kansas Building Industry Association (Attachment 2)
Haley DaVee, Kansas Credit Union Association (Attachment 3)

Others attending:
See attached list.

The Chair called the meeting to order and welcomed everyone to the meeting.

Hearing on

SB 89 - Sub for SB 89 by Committee on Financial Institutions and Insurance – Open records, certain policy information not required to be open.

Melissa Calderwood, Principal Analyst, Research Department gave an overview of the bill. Ms. Calderwood stated that **SB 89** would exempt certain workers compensation policy information from being open to public inspection. She said individual employer's records would be accessible for purposes of verification of coverage to the Department of Labor for the administration of the Workers Compensation Act. She said the Kansas Department of Labor and the Kansas Insurance Department both indicate there would be no fiscal effect and would implement **SB 89** within their existing resources.

Larry Magill, Kansas Association of Insurance Agents, testified in support of **SB 89**. Mr. Magill stated that KAIA requested introduction of **SB 639** last year late in the session. He said they did not realize that the workers compensation records of all businesses in Kansas were open records and subject to a request for the entire database from the Division of Workers Compensation. He said this year, KAIA chose to approach it through the Workers Compensation Act, not realizing that there was a similar interest again this year in not dealing with workers compensation bills on either floor. He said after visiting with leadership in both houses, it appears that the bill would be best dealt with through the Open Records Act similar to **SB 639** last year, but with some cleanup of the language. He said therefore, they urge the committee to adopt the substitute bill dealing with the issue through the Open Records Act and pass it out favorably or request introduction of a new bill. Mr. Magill said a balloon has been attached to the back of his testimony and he suggests running a substitute bill. He said **SB 639** last year dealt with the Open Records Act. Their suggested amendment is on Page 7 of **SB 639**. It essentially accomplishes what **SB 89** would accomplish only doing it through open records. He said we simply want to close the records. (Attachment 1)

Chris Wilson, Executive Director of Kansas Building Industry Association, testified in opposition to **SB 89**. She said the Kansas Insurance Department has the information regarding which carrier provides workers compensation for a given company. She said should a claimant need to obtain that information, they may contact the Department. She said the Department has asked for the information in a format

to make it available from the website to the public. She said Kansas Building Industry Workers Compensation Fund considers this to be a shopping list for agents and other carriers to obtain lists of who a carrier's insured are for competitive purposes. She noted that the KBIWCF Board of Trustees is strongly opposed to providing this information from the website. She said after what Mr. Magill has said, we are supportive of this bill. (Attachment 2)

The Chair closed the hearing on **SB 89**.

Action on

SB 72 - Credit unions, member of

The Chair said she had asked the credit unions to come back with language on their proposal. She said the Committee's first concern was the term "household" shall mean any person living in a family maintained residence.

Haley DaVee, Kansas Credit Union Association, said the credit union language addresses the definition of "household." She said we added "groups of persons" on line 43 on Page 1 and on Page 2, Line 1 we added "any group of persons living in a jointly maintained residence who are financially interdependent." She noted the other concern was about "any volunteer" on Page 1, Line 29. She said we cleared that up by adding "any person of a volunteer group recognized by the management of the association(s) or employee group (s). She said Line 34 clarifies "any corporate or other legal entity within the field of membership as." (Attachment 3)

Senator Brownlee offered a balloon to **SB 72**. She said the "household" language was troublesome to her, so this language merges the definition of an immediate family with the definition of a household so it is not quite so open ended. On line 38 we added "immediate family or household" shall mean "spouse, parent, stepparent, grandparent, child, stepchild, sibling, grandchild or former spouse and persons living in the same residence maintaining a single economic unit with persons within the credit union's field of membership." Senator Brownlee said with this language, "household" is not such a loose term and indicates there is some tie there. They either have a to be related or they are in a household maintaining a single economic unit within the credit union's field of membership, she said.

Ms. DaVee said the "household" language is acceptable; however, the credit unions want to keep the "volunteer" language.

Senator Brownlee moved to amend **SB 72** to read on line 38 "immediate family or household" shall mean spouse, parent, stepparent, grandparent, child, stepchild, sibling, grandchild or former spouse and persons living in the same residence maintaining a single economic unit with persons within the credit union's field of membership. Strike line 43 in its entirety, she said.

Senator Steineger seconded. Motion passed.

Senator Brownlee said the "volunteer" language was also too broad. She said she would like to strike lines 29 and 30 in their entirety.

Senator Steineger said he thinks **SB 72** was a negotiated compromise that all industry groups agreed to and he would like to keep as much of it in tact as possible because they all worked on it and they all agreed. I think we should leave the "volunteer" language in there because they all agreed to it.

The Chair asked Shawn Mitchell, President, Community Bankers, to give the Committee its opinion regarding the definition of "volunteers." Mr. Mitchell, stated Community Bankers agree with the credit union's definition of volunteer. He said we no longer have an issue.

Senator Masterson moved to pass this bill out favorably as the term "volunteers" is defined by the credit unions. Senator Kelsey seconded. Motion passed. Senator Brownlee voted no.

SB 139 just adds Federal Home Loan Bank to the bill. It doesn't change the bill in any way.

Senator Kelsey moved to pass the bill out favorably and put it on the Consent Calendar. Senator Steineger seconded. Motion passed.

... closes the record but still leaves it open for people to see on the website one person at a time. Mr. Magill said we just don't want it left open so someone can get the whole data base or even a big chunk of it for other purposes.

Senator Brownlee moved to create a substitute with the balloon that was provided and move SB 89 out favorably for passage. Senator Kelsey seconded. Motion passed.

The next meeting is scheduled for February 12, 2009.

The meeting was adjourned at 10:30 p.m.

Kansas Association of Insurance Agents



Testimony on Senate Bill 89
Before the Senate Financial Institutions and Insurance Committee
By Larry Magill
February 11, 2009

Thank you Madam Chairwoman and members of the Committee for the opportunity to appear today in support of Senate Bill 89. My name is Larry Magill and I'm representing the Kansas Association of Insurance Agents. We have approximately 550 member agencies and branches throughout the state and our members write approximately 70% of the commercial insurance in Kansas including workers compensation. Our members are free to represent many different insurance companies.

Last year KAIA requested introduction of SB 639 (attached) late in the session when the problem it addresses first came to light. Until last year, we did not realize that the workers compensation records of all businesses in Kansas were open records and subject to a request for the entire database from the Division of Workers Compensation.

The Division asks for businesses' workers compensation information to enforce the mandatory insurance requirement of our workers compensation statute and to allow injured workers and their representatives to verify coverage.

Depending on the information maintained by the Division, there is a great deal of information on a firm's workers compensation policy that businesses and agents would consider confidential. Agents view the expiration dates as a trade secret and the value of an agency's "expirations" is most of the value of an agency. It is one of the most sensitive pieces of information an agency has from a competitive standpoint. In addition businesses might not want their experience modification, their payroll classifications and payroll amounts revealed either.

And while the Open Records Act has penalties in it for commercial use of state records, it has never been enforced to our knowledge. And, in fact, the damage would be done by the time the state might try to sanction a list seller for selling this information.

We have worked closely with the Secretary of Labor and the Division of Workers Compensation on this issue and appreciate their help drafting the change.

Because of the "embargo" on workers compensation bills last year, we drafted our amendment to the open records act but because of it coming up late in the session, there was no time to deal with it. In fact, we never had a hearing on it.

This year, when we requested that your committee introduce SB 89 we choose to approach it through the workers compensation act, not realizing that there was a similar interest again this year in not dealing with workers compensation bills on either floor. After visiting with leadership in both houses, it appears that our bill would be best dealt with through the open records act similar to SB 639 last year but with some cleanup of the language.

*FI & I Committee
2-11-09
Attachment!*

Therefore, depending on the wishes of the Chairwoman, we urge the committee to adopt the substitute bill attached dealing with the issue through the open records act and pass it out favorably or, alternatively, request introduction of a new bill. Thank you for the opportunity for a hearing today. We would be happy to respond to questions or provide additional information.

5/21/2013 10:27
43-11-2
10/21/2013



1-2

SENATE BILL No. 639

By Committee on Federal and State Affairs

2-19

9 AN ACT concerning public records; relating to certain records not re-
10 quired to be open; amending K.S.A. 2007 Supp. 45-221 and repealing
11 the existing section.

12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2007 Supp. 45-221 is hereby amended to read as
15 follows: 45-221. (a) Except to the extent disclosure is otherwise required
16 by law, a public agency shall not be required to disclose:

17 (1) Records the disclosure of which is specifically prohibited or re-
18 stricted by federal law, state statute or rule of the Kansas supreme court
19 or the disclosure of which is prohibited or restricted pursuant to specific
20 authorization of federal law, state statute or rule of the Kansas supreme
21 court to restrict or prohibit disclosure.

22 (2) Records which are privileged under the rules of evidence, unless
23 the holder of the privilege consents to the disclosure.

24 (3) Medical, psychiatric, psychological or alcoholism or drug depend-
25 ency treatment records which pertain to identifiable patients.

26 (4) Personnel records, performance ratings or individually identifi-
27 able records pertaining to employees or applicants for employment, except
28 that this exemption shall not apply to the names, positions, salaries or
29 actual compensation employment contracts or employment-related con-
30 tracts or agreements and lengths of service of officers and employees of
31 public agencies once they are employed as such.

32 (5) Information which would reveal the identity of any undercover
33 agent or any informant reporting a specific violation of law.

34 (6) Letters of reference or recommendation pertaining to the char-
35 acter or qualifications of an identifiable individual, except documents re-
36 lating to the appointment of persons to fill a vacancy in an elected office.

37 (7) Library, archive and museum materials contributed by private
38 persons, to the extent of any limitations imposed as conditions of the
39 contribution.

40 (8) Information which would reveal the identity of an individual who
41 lawfully makes a donation to a public agency, if anonymity of the donor
42 is a condition of the donation, except if the donation is intended for or
43 restricted to providing remuneration or personal tangible benefit to a

1 named public officer or employee.

2 (9) Testing and examination materials, before the test or examination
3 is given or if it is to be given again, or records of individual test or ex-
4 amination scores, other than records which show only passage or failure
5 and not specific scores.

6 (10) Criminal investigation records, except as provided herein. The
7 district court, in an action brought pursuant to K.S.A. 45-222, and amend-
8 ments thereto, may order disclosure of such records, subject to such con-
9 ditions as the court may impose, if the court finds that disclosure:

10 (A) Is in the public interest;

11 (B) would not interfere with any prospective law enforcement action,
12 criminal investigation or prosecution;

13 (C) would not reveal the identity of any confidential source or un-
14 dercover agent;

15 (D) would not reveal confidential investigative techniques or proce-
16 dures not known to the general public;

17 (E) would not endanger the life or physical safety of any person; and

18 (F) would not reveal the name, address, phone number or any other
19 information which specifically and individually identifies the victim of any
20 sexual offense in article 35 of chapter 21 of the Kansas Statutes Anno-
21 tated, and amendments thereto.

22 If a public record is discretionarily closed by a public agency pursuant
23 to this subsection, the record custodian, upon request, shall provide a
24 written citation to the specific provisions of paragraphs (A) through (F)
25 that necessitate closure of that public record.

26 (11) Records of agencies involved in administrative adjudication or
27 civil litigation, compiled in the process of detecting or investigating vio-
28 lations of civil law or administrative rules and regulations, if disclosure
29 would interfere with a prospective administrative adjudication or civil
30 litigation or reveal the identity of a confidential source or undercover
31 agent.

32 (12) Records of emergency or security information or procedures of
33 a public agency, or plans, drawings, specifications or related information
34 for any building or facility which is used for purposes requiring security
35 measures in or around the building or facility or which is used for the
36 generation or transmission of power, water, fuels or communications, if
37 disclosure would jeopardize security of the public agency, building or
38 facility.

39 (13) The contents of appraisals or engineering or feasibility estimates
40 or evaluations made by or for a public agency relative to the acquisition
41 of property, prior to the award of formal contracts therefor.

42 (14) Correspondence between a public agency and a private individ-
43 ual, other than correspondence which is intended to give notice of an

- 1 action, policy or determination relating to any regulatory, supervisory or
2 enforcement responsibility of the public agency or which is widely dis-
3 tributed to the public by a public agency and is not specifically in response
4 to communications from such a private individual.
- 5 (15) Records pertaining to employer-employee negotiations, if dis-
6 closure would reveal information discussed in a lawful executive session
7 under K.S.A. 75-4319, and amendments thereto.
- 8 (16) Software programs for electronic data processing and documen-
9 tation thereof, but each public agency shall maintain a register, open to
10 the public, that describes:
- 11 (A) The information which the agency maintains on computer facil-
12 ities; and
- 13 (B) the form in which the information can be made available using
14 existing computer programs.
- 15 (17) Applications, financial statements and other information sub-
16 mitted in connection with applications for student financial assistance
17 where financial need is a consideration for the award.
- 18 (18) Plans, designs, drawings or specifications which are prepared by
19 a person other than an employee of a public agency or records which are
20 the property of a private person.
- 21 (19) Well samples, logs or surveys which the state corporation com-
22 mission requires to be filed by persons who have drilled or caused to be
23 drilled, or are drilling or causing to be drilled, holes for the purpose of
24 discovery or production of oil or gas, to the extent that disclosure is limited
25 by rules and regulations of the state corporation commission.
- 26 (20) Notes, preliminary drafts, research data in the process of anal-
27 ysis, unfunded grant proposals, memoranda, recommendations or other
28 records in which opinions are expressed or policies or actions are pro-
29 posed, except that this exemption shall not apply when such records are
30 publicly cited or identified in an open meeting or in an agenda of an open
31 meeting.
- 32 (21) Records of a public agency having legislative powers, which re-
33 cords pertain to proposed legislation or amendments to proposed legis-
34 lation, except that this exemption shall not apply when such records are:
- 35 (A) Publicly cited or identified in an open meeting or in an agenda
36 of an open meeting; or
- 37 (B) distributed to a majority of a quorum of any body which has au-
38 thority to take action or make recommendations to the public agency with
39 regard to the matters to which such records pertain.
- 40 (22) Records of a public agency having legislative powers, which re-
41 cords pertain to research prepared for one or more members of such
42 agency, except that this exemption shall not apply when such records are:
- 43 (A) Publicly cited or identified in an open meeting or in an agenda

- 1 of an open meeting; or
2 (B) distributed to a majority of a quorum of any body which has au-
3 thority to take action or make recommendations to the public agency with
4 regard to the matters to which such records pertain.
- 5 (23) Library patron and circulation records which pertain to identi-
6 fiable individuals.
- 7 (24) Records which are compiled for census or research purposes and
8 which pertain to identifiable individuals.
- 9 (25) Records which represent and constitute the work product of an
10 attorney.
- 11 (26) Records of a utility or other public service pertaining to individ-
12 ually identifiable residential customers of the utility or service, except that
13 information concerning billings for specific individual customers named
14 by the requester shall be subject to disclosure as provided by this act.
- 15 (27) Specifications for competitive bidding, until the specifications
16 are officially approved by the public agency.
- 17 (28) Sealed bids and related documents, until a bid is accepted or all
18 bids rejected.
- 19 (29) Correctional records pertaining to an identifiable inmate or re-
20 lease, except that:
- 21 (A) The name; photograph and other identifying information; sen-
22 tence data; parole eligibility date; custody or supervision level; disciplinary
23 record; supervision violations; conditions of supervision, excluding
24 requirements pertaining to mental health or substance abuse counseling;
25 location of facility where incarcerated or location of parole office main-
26 taining supervision and address of a releasee whose crime was committed
27 after the effective date of this act shall be subject to disclosure to any
28 person other than another inmate or releasee, except that the disclosure
29 of the location of an inmate transferred to another state pursuant to the
30 interstate corrections compact shall be at the discretion of the secretary
31 of corrections;
- 32 (B) the ombudsman of corrections, the attorney general, law enforce-
33 ment agencies, counsel for the inmate to whom the record pertains and
34 any county or district attorney shall have access to correctional records to
35 the extent otherwise permitted by law;
- 36 (C) the information provided to the law enforcement agency pursu-
37 ant to the sex offender registration act, K.S.A. 22-4901, et seq., and
38 amendments thereto, shall be subject to disclosure to any person, except
39 that the name, address, telephone number or any other information which
40 specifically and individually identifies the victim of any offender required
41 to register as provided by the Kansas offender registration act, K.S.A. 22-
42 4901 et seq., and amendments thereto, shall not be disclosed; and
- 43 (D) records of the department of corrections regarding the financial

1 assets of an offender in the custody of the secretary of corrections shall
2 be subject to disclosure to the victim, or such victim's family, of the crime
3 for which the inmate is in custody as set forth in an order of restitution
4 by the sentencing court.

5 (30) Public records containing information of a personal nature
6 where the public disclosure thereof would constitute a clearly unwar-
7 ranted invasion of personal privacy.

8 (31) Public records pertaining to prospective location of a business
9 or industry where no previous public disclosure has been made of the
10 business' or industry's interest in locating in, relocating within or expand-
11 ing within the state. This exception shall not include those records per-
12 taining to application of agencies for permits or licenses necessary to do
13 business or to expand business operations within this state, except as
14 otherwise provided by law.

15 (32) Engineering and architectural estimates made by or for any pub-
16 lic agency relative to public improvements.

17 (33) Financial information submitted by contractors in qualification
18 statements to any public agency.

19 (34) Records involved in the obtaining and processing of intellectual
20 property rights that are expected to be, wholly or partially vested in or
21 owned by a state educational institution, as defined in K.S.A. 76-711, and
22 amendments thereto, or an assignee of the institution organized and ex-
23 isting for the benefit of the institution.

24 (35) Any report or record which is made pursuant to K.S.A. 65-4922,
25 65-4923 or 65-4924, and amendments thereto, and which is privileged
26 pursuant to K.S.A. 65-4915 or 65-4925, and amendments thereto.

27 (36) Information which would reveal the precise location of an ar-
28 cheological site.

29 (37) Any financial data or traffic information from a railroad company,
30 to a public agency, concerning the sale, lease or rehabilitation of the
31 railroad's property in Kansas.

32 (38) Risk-based capital reports, risk-based capital plans and corrective
33 orders including the working papers and the results of any analysis filed
34 with the commissioner of insurance in accordance with K.S.A. 40-2c20
35 and 40-2d20, and amendments thereto.

36 (39) Memoranda and related materials required to be used to support
37 the annual actuarial opinions submitted pursuant to subsection (b) of
38 K.S.A. 40-409, and amendments thereto.

39 (40) Disclosure reports filed with the commissioner of insurance un-
40 der subsection (a) of K.S.A. 40-2,156, and amendments thereto.

41 (41) All financial analysis ratios and examination synopses concerning
42 insurance companies that are submitted to the commissioner by the na-
43 tional association of insurance commissioners' insurance regulatory infor-

1 mation system.

2 (42) Any records the disclosure of which is restricted or prohibited
3 by a tribal-state gaming compact.

4 (43) Market research, market plans, business plans and the terms and
5 conditions of managed care or other third party contracts, developed or
6 entered into by the university of Kansas medical center in the operation
7 and management of the university hospital which the chancellor of the
8 university of Kansas or the chancellor's designee determines would give
9 an unfair advantage to competitors of the university of Kansas medical
10 center.

11 (44) The amount of franchise tax paid to the secretary of revenue or
12 the secretary of state by domestic corporations, foreign corporations, do-
13 mestic limited liability companies, foreign limited liability companies, do-
14 mestic limited partnership, foreign limited partnership, domestic limited
15 liability partnerships and foreign limited liability partnerships.

16 (45) Records, other than criminal investigation records, the disclo-
17 sure of which would pose a substantial likelihood of revealing security
18 measures that protect: (A) Systems, facilities or equipment used in the
19 production, transmission or distribution of energy, water or communi-
20 cations services; (B) transportation and sewer or wastewater treatment
21 systems, facilities or equipment; or (C) private property or persons, if the
22 records are submitted to the agency. For purposes of this paragraph,
23 security means measures that protect against criminal acts intended to
24 intimidate or coerce the civilian population, influence government policy
25 by intimidation or coercion or to affect the operation of government by
26 disruption of public services, mass destruction, assassination or kidnap-
27 ping. Security measures include, but are not limited to, intelligence in-
28 formation, tactical plans, resource deployment and vulnerability
29 assessments.

30 (46) Any information or material received by the register of deeds of
31 a county from military discharge papers (DD Form 214). Such papers
32 shall be disclosed: To the military dischargee; to such dischargee's im-
33 mediate family members and lineal descendants; to such dischargee's
34 heirs, agents or assigns; to the licensed funeral director who has custody
35 of the body of the deceased dischargee; when required by a department
36 or agency of the federal or state government or a political subdivision
37 thereof; when the form is required to perfect the claim of military service
38 or honorable discharge or a claim of a dependent of the dischargee; and
39 upon the written approval of the commissioner of veterans affairs, to a
40 person conducting research.

41 (47) Information that would reveal the location of a shelter or a sa-
42 fehouse or similar place where persons are provided protection from
43 abuse.

1 ~~(48) Workers compensation policy information provided by an insur-~~ P
 2 ~~ance carrier writing workers compensation insurance to the director of~~
 3 ~~workers compensation in accordance with subsection (h)(1) of K.S.A. 44-~~
 4 ~~532, and amendments thereto. This exemption shall not be construed to~~
 5 ~~preclude access to an individual employer's record for the purpose of~~
 6 ~~verification of workers compensation coverage.~~

insurance
 or to the Department of Labor for their business purposes.

7 (b) Except to the extent disclosure is otherwise required by law or as
 8 appropriate during the course of an administrative proceeding or on ap-
 9 peal from agency action, a public agency or officer shall not disclose fi-
 0 nancial information of a taxpayer which may be required or requested by
 1 a county appraiser or the director of property valuation to assist in the
 2 determination of the value of the taxpayer's property for ad valorem tax-
 3 ation purposes; or any financial information of a personal nature required
 4 or requested by a public agency or officer, including a name, job descrip-
 5 tion or title revealing the salary or other compensation of officers, em-
 6 ployees or applicants for employment with a firm, corporation or agency,
 7 except a public agency. Nothing contained herein shall be construed to
 8 prohibit the publication of statistics, so classified as to prevent identifi-
 9 cation of particular reports or returns and the items thereof.

0 (c) As used in this section, the term "cited or identified" shall not
 1 include a request to an employee of a public agency that a document be
 2 prepared.

3 (d) If a public record contains material which is not subject to dis-
 4 closure pursuant to this act, the public agency shall separate or delete
 5 such material and make available to the requester that material in the
 6 public record which is subject to disclosure pursuant to this act. If a public
 7 record is not subject to disclosure because it pertains to an identifiable
 8 individual, the public agency shall delete the identifying portions of the
 9 record and make available to the requester any remaining portions which
 0 are subject to disclosure pursuant to this act, unless the request is for a
 1 record pertaining to a specific individual or to such a limited group of
 2 individuals that the individuals' identities are reasonably ascertainable, the
 3 public agency shall not be required to disclose those portions of the record
 4 which pertain to such individual or individuals.

5 (e) The provisions of this section shall not be construed to exempt
 6 from public disclosure statistical information not descriptive of any iden-
 7 tifiable person.

8 (f) Notwithstanding the provisions of subsection (a), any public rec-
 9 ord which has been in existence more than 70 years shall be open for
 0 inspection by any person unless disclosure of the record is specifically
 1 prohibited or restricted by federal law, state statute or rule of the Kansas
 2 supreme court or by a policy adopted pursuant to K.S.A. 72-6214, and
 3 amendments thereto.

1 (g) Any confidential records or information relating to security meas-
2 ures provided or received under the provisions of subsection (a)(45) shall
3 not be subject to subpoena, discovery or other demand in any adminis-
4 trative, criminal or civil action.

5 Sec. 2. K.S.A. 2007 Supp. 45-221 is hereby repealed.

6 Sec. 3. This act shall take effect and be in force from and after its
7 publication in the statute book.



**STATEMENT OF THE
KANSAS BUILDING INDUSTRY ASSOCIATION
TO THE SENATE FINANCIAL INSTITUTIONS &
INSURANCE COMMITTEE
SENATOR RUTH TEICHMAN, CHAIR**

REGARDING S.B. 89

FEBRUARY 11, 2009

Chairman Teichman and Members of the Committee, I am Chris Wilson, Executive Director of Kansas Building Industry Association. KBIA is the trade and professional organization of the residential housing industry in Kansas, with over 2300 members. We are the Kansas affiliate of the National Association of Home Builders and have local home builders associations throughout the state. The Kansas Building Industry Workers Compensation Fund (KBIWCF) provides workers compensation for our industry.

KBIA is opposed to S.B. 89. Currently, the Department has the information regarding which carrier provides workers compensation for a given company. Should a claimant need to obtain that information, he/she may contact the Department. The Department has asked for the information in a format to make it available from the website to the public. The KBIWCF considers this to be a shopping list for agents and other carriers to obtain lists of who a carriers insureds are for competitive purposes. The KBIWCF Board of Trustees is strongly opposed to providing this information from the website.

We believe that if a claimant doesn't know enough to contact the Department for this information, they are not going to be able to find the information on the Department's website. So, we don't believe that having the information of who the carrier is for a specific company on the Department's website would benefit claimants. It would only serve to benefit competitors looking for business.

Thank you for the opportunity to speak in opposition to S.B. 89.

*FI: I Committee
2-11-09
Attachment 2*

SENATE BILL No. 72

By Committee on Financial Institutions and Insurance

1-22

9 AN ACT concerning credit unions; pertaining to membership of a credit
10 union; amending K.S.A. 2008 Supp. 17-2205 and repealing the existing
11 section.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2008 Supp. 17-2205 is hereby amended to read as
15 follows: 17-2205. (a) (1) The membership shall consist of the organizers
16 and such persons, societies, associations, copartnerships and corporations
17 as have been duly elected to membership and have subscribed to one or
18 more shares and have paid for the same, and have complied with such
19 other requirements as the articles of incorporation may contain.

20 (2) *Once a person becomes a member of the credit union, such person*
21 *may remain a member of the credit union until the person chooses to*
22 *withdraw or is expelled from the membership of the credit union.*

23 (3) *Members of a credit union also may include the following:*

24 (A) *The spouse of any person who died while such person was within*
25 *the field of membership of the credit union;*

26 (B) *any employee of the credit union;*

27 (C) *any person who retired from any qualified employment group*
28 *within the field of membership;*

29 (D) *any volunteer of an organization or employee group within the*
30 *field of membership;*

31 (E) *any member of such person's immediate family or household;*

32 (F) *any organization whose membership consists of persons within*
33 *the field of membership; and*

34 (G) *any corporate or other legal entity identified in the charter, ar-*
35 *ticles of incorporation or bylaws of the credit union.*

36 (4) *For the purposes of subparagraph (E) of paragraph (3):*

37 (A) *Except as provided in subparagraph (B), the term "immediate*
38 *family" shall mean spouse, parent, stepparent, grandparent, child, step-*
39 *child, sibling, grandchild or former spouse.*

40 (B) *If the credit union's bylaws adopted a definition of immediate*
41 *family before June 30, 2008, the credit union may use that definition. A*
42 *credit union may adopt a more restrictive definition of immediate family.*

43 (C) *The term "household" shall mean any person living in a jointly*

On page 1, line 29, after "any" and before "within," add

Person of a volunteer group recognized by the management of the association(s) or employee group(s)

On page 1, line 34, after "entity" and before "identified, add

within the field of membership as

On page 1, line 43, strike "person" and after "any" and before living, add

group of persons

*FI & I Committee
2-11-09
Attachment 3*

who are financially interdependent

1 *maintained residence.*

2 (D) *If authorized in the credit union's bylaws, a member of the im-*
3 *mediate family or household is eligible to join even when the eligible mem-*
4 *ber has not joined the credit union.*

5 (b) (1) Credit union organizations shall be limited to:

6 (A) A group having a single common bond of occupation or
7 association;

8 (B) a group having multiple common bonds of occupation or associ-
9 ation or any combination thereof. No such group shall have a membership
10 of more than 3,000 except as permitted in subsections (c) or (d); or

11 (C) persons residing, working or worshipping in or organizations lo-
12 cated within a geographic area.

13 (2) A common bond of occupation may include employees of the
14 same employer, workers under contract with the same employer, busi-
15 nesses paid by the same employer on a continuing basis or employees in
16 the same trade, industry or profession.

17 (3) A common bond of association may include members and em-
18 ployees of a recognized association as defined in such association's char-
19 ter, bylaws or other equivalent document.

20 (c) A credit union which chooses to be limited as provided in sub-
21 paragraph (C) of paragraph (1) of subsection (b) may include one or more
22 common bonds of occupation or one or more common bonds of associ-
23 ation or any combination thereof with no limitation on the number of
24 members, if the employer or association is located in the geographic area
25 of the credit union.

26 (d) A group formed with multiple common bonds of occupation or
27 association may exceed 3,000 members if the administrator determines
28 in writing that such group could not feasibly or reasonably establish a new
29 single common bond credit union because the group:

30 (1) Lacks sufficient volunteer and other resources to support the ef-
31 ficient and effective operation of a credit union;

32 (2) does not meet the criteria established by the administrator indi-
33 cating a likelihood of success in establishing and managing a new credit
34 union, including demographic characteristics such as geographical loca-
35 tion of members, diversity of ages and income levels, and other factors
36 that may affect the financial viability and stability of a credit union; or

37 (3) would be unlikely to be able to operate in a safe and sound
38 manner.

39 (e) (1) A geographic area may include:

40 (A) A single political jurisdiction;

41 (B) multiple contiguous political jurisdictions if the aggregate total of
42 the population of the geographic area does not exceed 500,000, except as
43 provided in subparagraph (C) or in subsections (i), (j), (k) and (l); or