

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 January 22, 2004 in Room 234-N of the Capitol.

All members were present.

Committee staff present:

Nancy Shaughnessy, Committee Secretary

Conferees appearing before the Committee:

Others attending:

See Attached List.

Sandy Praeger, Insurance Commissioner, over viewed the Kansas Insurance Department. (Attachment 1) The Agency is the third largest revenue producer in the State, is entirely fee funded and does not use State General Funds to operate.

**Bill Introductions**

Commissioner Praeger introduced the following bills that the Department would like to address this session.

- How agents are appointed in agencies and a small increase in agent's fees
- Benefit payment, language change in statute from or to and
- Risk based Capital, date needs to be updated annually
- Homeowner's coverage, that companies may not drop a policyholder based on one weather related incident
- Consumer Protection Bill, Clue (Comprehensive Loss Underwriters Exchange)
- HSA (health savings account) change statutory reference from medical to Health
- Limit the amount forfeiture penalties when a policy holder cashes in policy prior to maturity date

Senator Corbin made a motion to accept the bills as introduced, seconded by Senator Steineger. The motion was carried.

Chuck Stones from the Kansas Banker's Association presented a report to the committee. (Attachment 2) He hoped to give the Committee a sense of the Industry as they go through the legislative session. Kansas banks employ 14,000 Kansans with the average bank employing 10 persons. Kansas ranks 5<sup>th</sup> in the Nation in the number of chartered banks.

Shari Weber, Community Banker's Association presented a historical perspective of how the community banker's fit into the Kansas banking system. (Attachment 3) The trade Association is a not for profit organization founded 25 years ago.

The meeting was adjourned 10:30 a.m.

The next meeting is scheduled for January 27, 2004

CONTINUATION SHEET

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