

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 am. on January 25, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes
Heather O'Hara, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the Committee:

Shawn Mitchell, President & CEO, Community Bankers Association of Kansas
Haley DaVee, Vice President, Governmental and Public Affairs, Kansas Credit Union Assn.
Jim Turner, President, Heartland Community Bankers Association
John Smith, Administrator, Kansas Credit Union Association

Others attending:

See attached list.

Chairman Teichman welcomed everyone to the meeting.

Shawn Mitchell, President and CEO, Community Bankers Association of Kansas gave a synopsis of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 along with implications for Kansas Financial Institutions and Services. (Attachment 1)

Haley DaVee, Vice President of Governmental and Public Affairs, Kansas Credit Union Association, also presented testimony regarding the impact of the Dodd-Frank Wall Street Reform and Protection Act of 2010. She stated that Kansas credit unions are generally healthy and well capitalized. She said a recent analysis showed that the Kansas credit union industry was ahead of national growth trends in assets, shares and loans. She added, however, that despite being stable and well capitalized, Kansas credit unions are not immune from feeling the effects of the recession. (Attachment 2)

Jim Turner, President, Heartland Community Bankers Association, stated that Heartland Community Bankers Association membership is made up primarily of thrift institutions and savings and loans. He said there are currently no state charters in Kansas and all member institutions are in good shape. He said their institutions are different from banks and credit unions as their members must have at least 60-65% in housing related mortgages. Mr. Turner said the Dodd-Frank legislation passed last year will have a huge impact on their members and it is too early to tell exactly how small institutions will handle the changes. One negative effect is the potential to lose 75% from debit card fees which will most likely result in another fee to the consumer. He concluded by stating that under this regulatory climate he is concerned many members will be purchased by larger institutions or will merge with another institution. (Attachment 3)

John Smith, Administrator, Kansas Department of Credit Unions, stated that the Kansas Department of Credit unions is the state credit union financial regulatory agency authorized by the 1968 Kansas Legislature to provide for management, control, regulation and general supervision of state-chartered Kansas credit unions. (Attachment 4)

Bill introductions

LeRoy Brungardt, representing Kansas Professional Insurance Agents of America, introduced a bill concerning insurance agents and producers and revising their continuing education requirements.

Senator Holland moved to approve the introduction, Senator Longbine seconded. Motion carried.

CONTINUATION SHEET

Minutes of the Senate Judiciary Committee at 9:30 a.m. on January 25, 2010, in Room 548-S of the Capitol.

John Peterson, representing Asurion Insurance, introduced legislation dealing with insurance for portable electronic equipment. Senator Masterson moved introduction. Senator Taddiken seconded. Motion passed.

The meeting was adjourned at 10:29 am.