

SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 185

As Amended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 185, as amended, would amend an investment provision in the Insurance Code to authorize certain insurance companies (those other than life insurance companies) to designate a trust company to:

- Obtain a nominee name for an insurance company in which the company's securities may be registered;
- Make any authorized investments in the name of the trustee or the trustee's nominee; and
- Arrange for securities to be held in a clearing corporation, subject to a written agreement approved by the Insurance Commissioner.

Background

The bill was introduced by the Senate Committee on Ways and Means. A representative of the Kansas Bankers Association Trust Division testified in support of the bill at the Senate Committee hearing. The representative indicated that it is important that Kansas insurance companies have all of the local options available to them when selecting a financial institution to manage their investments. The bill would correct what the Association believes is an oversight that could prevent trust companies from being one of these investment

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

options. There were no opponents to the bill at the time of the Senate Committee hearing.

The Senate Committee on Financial Institutions and Insurance recommended technical amendments.

The fiscal note prepared by the Division of the Budget states that the Kansas Insurance Department indicates that passage of the the bill would have no fiscal effect.