

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Jeff Longbine at 9:30 am on Wednesday, January 20, 2016, 546-S of the Capitol.

All members were present except:

Senator Jacob LaTurner – Excused

Senator Robert Olson – Excused

Committee staff present:

Theresa Allen, Kansas Legislative Committee Assistant

Melissa Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Deryl Schuster, Office of the State Bank Commissioner

Judi Stork, Deputy Bank Commissioner (Banking)

Jennifer Cook, Deputy Bank Commissioner (Lending)

Others in attendance:

[See Attached List](#)

Bill introductions

Dan Murray, Kansas Association of Insurance Agents requested an introduction of a bill, definitions related to residency in property and casualty insurance contracts. There being no objections, the bill was introduced.

Judi Stork, Deputy Bank Commissioner, requested a clean up of 2015 recodification bill. There being no objections, the bill was introduced.

Clark Shultz, requested an introduction of a bill to change relationship between insurance department and securities department. There being no objections, the bill was introduced.

Presentation

Presentation by:

Deryl Schuster, Bank Commissioner, Office of the State Bank Commissioner stated that the main areas of Banking were Division of Banking & Trust and Division of Consumer and Mortgage. Employs 106 staff, full time.

Presentation

Presentation by:

Judi M. Stork, Deputy Commissioner, spoke about trends and the history of banks. There are 47

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions and Insurance at 9:30 am on Wednesday, January 20, 2016 in Room 546-S of the Capitol.

regulated banks. total assets is 37 billion up from 32 billion. The capital of our banks continue to grow. National banks and assets in Kansas have declined. Continued to discuss number of banks, total asset history and year to date information on loss and earnings.

Ms. Stork discussed their regulated largest state chartered banks and smallest banks assets. Banks are rated on a 1-5 scale with 5 being the worst and explaining the composite ratings history chart. Condition of their banks are very good. Several other regulated divisions are the Trust Companies and departments.

Ms. Stork further explained the overview of the different divisions. Ms. Stork talked about the issues we are watching are underwriting, carry-over operating debt, oil and gas industry loans, cyber threat and concentration risk.

Presentation

Jennifer Cook discussed non depository side of industry. Consolidation in industry increased licensing activity. Loan volume is increasing and consumer loans are steady. Discussed the overview of regulation activity in "know before you owe". Which discloses all the interest rates, taxes etc.

Ms. Cook discussed auto lending rule and small dollar rule. Further discussion and overview of website and attached charts. ([Attachment 1](#))

Chair Longbine opened the floor for committee questions. Ms. Stork responded to Committee members questions.

Chair Longbine stated committee will meet Thursday, January 21, 2016, presentation on the work of the interim insurance committee.

Chair Longbine adjourned meeting at 10:20am.