

Approved:
Date: February 19, 2002

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on February 7, 2002 in Room 234 N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Ken Wilke, Office of the Revisor of Statutes
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Jerel L. Wright, Administrator, Kansas Department of Credit Unions

Others attending: See attached list.

Confirmation Hearing

The Committee heard testimony from Jerel L. Wright regarding his reappointment as Credit Union Administrator for the Kansas Department of Credit Unions. Mr. Wright presented the Committee with a summary of his qualifications, educational and professional experiences. He also outlined for the Committee the Department's history, function, responsibilities, and the examination process of each credit union in the state as shown in his written testimony. (Attachment 1) During Committee discussion Mr. Wright noted that the Credit Union is still regulated and is in compliance with the Gramm-Leach-Bliley Act (GLBA).

Senator Teichman made a motion that the Committee recommend Jerel L. Wright to the full Senate for reappointment as Credit Union Administrator for the Kansas Department of Credit Unions, seconded by Senator Salmans. The motion carried.

During Committee discussion it was suggested that Mr. Wright report back to the Committee on the status of the Boeing Credit Union in Wichita.

Report on Conversion/Demutualization

Dr. Bill Wolff, Kansas Legislative Research Department, gave a report to the Committee on the conversion process that allows a mutual insurance company to convert to a domestic stock company. He noted that in the conversion process, it is not always possible to anticipate all of the circumstances and considerations that may arise. Therefore, the Insurance Commissioner is given broad authority over the process and procedures, and the act is to be liberally construed and not interpreted to limit the power of the Commissioner by other provisions of law. (Attachment 2)

Dr. Wolff pointed out that additional information on the process as well as hearings can be obtained on the Kansas Insurance Department's website at www.ksinsurance.gov.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 12, 2002.

