

Approved: 2-25-09
Date

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 a.m. on February 11, 2009, in Room 136-N of the Capitol.

All members were present except:
Senator Jeff Colyer

Committee staff present:
Bruce Kinzie, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the committee:

Melissa Calderwood, Principal Analyst
Larry Magill, KAIA (Attachment 1)
Chris Wilson, Kansas Building Industry Association (Attachment 2)

Others attending:
See attached list.

The Chair called the meeting to order and welcomed everyone to the meeting.

Hearing on

SB 89 - Sub for SB 89 by Committee on Financial Institutions and Insurance – Open records, certain policy information not required to be open.

Melissa Calderwood, Principal Analyst, Research Department gave an overview of the bill. Ms. Calderwood stated that **SB 89** would exempt certain workers compensation policy information from being open to public inspection. She said individual employer's records would be accessible for purposes of verification of coverage to the Department of Labor for the administration of the Workers Compensation Act. She said the Kansas Department of Labor and the Kansas Insurance Department both indicate there would be no fiscal effect and would implement **SB 89** within their existing resources.

Larry Magill, Kansas Association of Insurance Agents, testified in support of **SB 89**. Mr. Magill stated that KAIA requested introduction of **SB 639** last year late in the session. He said they did not realize that the workers compensation records of all businesses in Kansas were open records and subject to a request for the entire database from the Division of Workers Compensation. He said this year, KAIA chose to approach it through the Workers Compensation Act, not realizing that there was a similar interest again this year in not dealing with workers compensation bills on either floor. He said after visiting with leadership in both houses, it appears that the bill would be best dealt with through the Open Records Act similar to **SB 639** last year, but with some cleanup of the language. He said therefore, they urge the committee to adopt the substitute bill dealing with the issue through the Open Records Act and pass it out favorably or request introduction of a new bill. Mr. Magill said a balloon has been attached to the back of his testimony and he suggests running a substitute bill. He said **SB 639** last year dealt with the Open Records Act. Their suggested amendment is on Page 7 of **SB 639**. It essentially accomplishes what **SB 89** would accomplish only doing it through open records. He said we simply want to close the records. (Attachment 1)

Chris Wilson, Executive Director of Kansas Building Industry Association, testified in opposition to **SB 89**. She said the Kansas Insurance Department has the information regarding which carrier provides workers compensation for a given company. She said should a claimant need to obtain that information, they may contact the Department. She said the Department has asked for the information in a format to make it available from the website to the public. She said Kansas Building Industry Workers Compensation Fund considers this to be a shopping list for agents and other carriers to obtain lists of who a carrier's insured are for competitive purposes. She noted that the KBIWCF Board of Trustees is strongly opposed to providing this information from the website. She said after what Mr. Magill has said, we are supportive of this bill. (Attachment 2)

The Chair closed the hearing on **SB 89**.

Action on

SB 72 - Credit unions, member of

The Chair said she had asked the credit unions to come back with language on their proposal. She said the Committee's first concern was the term "household" shall mean any person living in a family maintained residence.

Haley DaVee, Kansas Credit Union Association, said the credit union language addresses the definition of "household." She said we added "groups of persons" on line 43 on Page 1 and on Page 2, Line 1 we added "any group of persons living in a jointly maintained residence who are financially interdependent." She noted the other concern was about "any volunteer" on Page 1, Line 29. She said we cleared that up by adding "any person of a volunteer group recognized by the management of the association(s) or employee group (s). She said Line 34 clarifies "any corporate or other legal entity within the field of membership as." (Attachment 3)

Senator Brownlee offered a balloon to **SB 72**. She said the "household" language was troublesome to her, so this language merges the definition of an immediate family with the definition of a household so it is not quite so open ended. On line 38 we added "immediate family or household" shall mean "spouse, parent, stepparent, grandparent, child, stepchild, sibling, grandchild or former spouse and persons living in the same residence maintaining a single economic unit with persons within the credit union's field of membership." Senator Brownlee said with this language, "household" is not such a loose term and indicates there is some tie there. They either have a to be related or they are in a household maintaining a single economic unit within the credit union's field of membership, she said. (Attachment 4)

Ms. DaVee said the "household" language is acceptable; however, the credit unions want to keep the "volunteer" language.

Senator Brownlee moved to amend **SB 72** to read on line 38 "immediate family or household" shall mean spouse, parent, stepparent, grandparent, child, stepchild, sibling, grandchild or former spouse and persons living in the same residence maintaining a single economic unit with persons within the credit union's field of membership. Strike line 43 in its entirety, she said.

Senator Steineger seconded. Motion passed.

Senator Brownlee said the "volunteer" language was also too broad. She said she would like to strike lines 29 and 30 in their entirety.

Senator Steineger said he thinks **SB 72** was a negotiated compromise that all industry groups agreed to and he would like to keep as much of it in tact as possible because they all worked on it and they all agreed. I think we should leave the "volunteer" language in there because they all agreed to it.

The Chair asked Shawn Mitchell, President, Community Bankers, to give the Committee its opinion regarding the definition of "volunteers." Mr. Mitchell, stated Community Bankers agree with the credit union's definition of volunteer. He said we no longer have an issue.

Senator Masterson moved to pass this bill out favorably as the term "volunteers" is defined by the credit unions. Senator Kelsey seconded. Motion passed. Senator Brownlee voted no.

SB 139 just adds Federal Home Loan Bank to the bill. It doesn't change the bill in any way.

Senator Kelsey moved to pass the bill out favorably and put it on the Consent Calendar. Senator Steineger seconded. Motion passed.

SB 89 closes the record but still leaves it open for people to see on the website one person at a time. Mr. Magill said we just don't want it left open so someone can get the whole data base or even a big chunk of it for other purposes.

Senator Brownlee moved to create a substitute with the balloon that was provided and move SB 89 out favorably for passage. Senator Kelsey seconded. Motion passed.

The next meeting is scheduled for February 17, 2009.

The meeting was adjourned at 10:30 p.m.