

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 5, 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:

Jeffery Bottenberg, representing State Farm Financial Services  
Trudy Racine, SRS  
David Brant, Securities Commissioner

Others attending: See attached list.

### **Introduction of bills**

Jeffery Bottenberg, representing State Farm Financial Services, requested introduction of a bill that would allow insurance agents to transact mortgage business in Kansas without registration under the Kansas Mortgage Business Act. (Attachment 1)

Senator Steineger made a motion that the Committee introduce the proposed legislation, seconded by Senator Barnett. The motion carried.

Trudy Racine, SRS, requested introduction of a bill that would allow SRS to request in writing financial records of public assistance applicants or recipients. (Attachment 2)

Senator Steineger made a motion that the Committee introduce the proposed legislation, seconded by Senator Barnett. The motion carried.

### **Hearing on: SB 398 - Regulating securities; Powers of the Commissioner**

David Brant, Kansas Securities Commissioner, provided written testimony in support of **SB 398**, which would amend various statutes under the Kansas Securities Act. Mr. Brant noted that all of the proposed amendments in the bill were also proposed last year in **HB 2243** which was tabled due to several provisions which would have provided for the functional regulation of agents selling variable annuities. All references to variable annuities had been deleted and not proposed this year. **SB 398** would allow the Securities Commissioner to consider all criminal convictions of an applicant when determining the approval of a securities license. It would also give the Commissioner authority to require financial statements of a securities issuer to be reviewed or audited by independent certified public accountants in accordance with generally accepted auditing standards. Mr. Brant requested an amendment to the bill that the Commissioner by rule and regulation or order may require the filing of a notice and specify conditions for exemption from the registration requirements as shown in a balloon of the bill. (Attachment 3)

There were no opponents to the bill.

Senator Teichman made a motion to adopt the proposed amendment, seconded by Senator Feleciano. The motion carried.

Senator Feleciano made a motion the committee recommend **SB 398 as amended** favorable for passage, seconded by Senator Teichman. The motion carried

### **Adjournment**

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for February 6, 2002.