



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

Proponent Testimony SB 290 –Securities Commissioner Appointment & Removal Process

March 16, 2020

Chairman Vickrey and Members of the Committee,

Thank you for the opportunity to submit testimony in support of SB 290, which passed the Senate 40-0. In 2017, the Legislature placed the Office of the Securities Commissioner under the Kansas Insurance Department. As part of that reform, the Kansas Senate has control over the confirmation of the Securities Commissioner. Kansas Securities Commissioner Jeff Wagaman completed that process last session and was confirmed by a vote of 37-1. SB 290 keeps the confirmation of the Securities Commissioner in the Kansas Senate.

When the 2017 legislation was passed, changes were made to the appointment process and the statute now states the Securities Commissioner's term runs concurrently with the Insurance Commissioner's term. The current wording could be reasonably interpreted to mean that if an Insurance Commissioner served multiple terms and wanted to keep the same Securities Commissioner they would have go through the confirmation process again at the beginning of each term. We do not believe that was the intent and this bill seeks to clarify that.

The current wording could also be reasonably interpreted that the Securities Commissioner is entitled to serve a full term with an Insurance Commissioner unless the Securities Commissioner had engaged in official misconduct. We believe that similar to other appointments, there may be a time when an Insurance Commissioner may desire a leadership change that does not meet the standard of official misconduct. The changes proposed will clarify the options the Insurance Commissioner has with regards to nomination, appointment and retention of the Securities Commissioner.

We believe the Securities Commissioner's appointment should be handled like the majority of other appointments where the appointment is made, the Senate confirms and the person serves at the pleasure of the appointing authority.

The Insurance Commissioner has full faith in Securities Commissioner Wagaman. These issues with appointment were discovered while going through the confirmation process and we desire to clean it up for future insurance commissioners.

Thank you for the opportunity to submit testimony in support of SB 290 and I would be happy to take questions at the appropriate time.

Lee Modesitt
Director of Government Affairs & Communications