SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 290

As Recommended by Senate Committee on Financial Institutions and Insurance

Brief*

SB 290 would amend law governing the Office of the Securities Commissioner and the appointment and removal authority assigned to the Commissioner of Insurance (Insurance Commissioner).

Under current law, the Insurance Commissioner is permitted to remove the Securities Commissioner for official misconduct. The bill would remove this authority and would instead require the Securities Commissioner to serve at the pleasure of the Insurance Commissioner. Under continuing law, the Securities Commissioner would be subject to the confirmation of the Senate.

The bill would remove provisions pertaining the initial appointment of the Securities Commissioner by the Insurance Commissioner. The bill would also remove provisions that would have required the Securities Commissioner to serve, subject to Senate confirmation, a four-year term to run concurrently with the term of the Insurance Commissioner.

(*Note:* Law enacted in 2017 consolidated the Office of the Securities Commissioner, a stand-alone agency, into the Kansas Insurance Department (Department) as a division within the Department and changed the appointment authority for the Securities Commissioner from the Governor to the Insurance Commissioner.)

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*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Department.

In the Senate Committee hearing, a Department representative indicated the wording of the 2017 law could be interpreted to mean that if an Insurance Commissioner served multiple terms and wanted to keep the same Securities Commissioner, that position would have to go through the confirmations process at the beginning of each term. The representative also noted the 2017 law could be interpreted to mean the Securities Commissioner is entitled to serve a full term unless this official has engaged in official misconduct. The Department indicated the bill would allow for leadership changes that do not meet the standard of official misconduct and would clarify the options the Insurance Commissioner would have in regards to the nomination, appointment, and retention of the Securities Commissioner.

The Senate Committee recommended the bill be placed on the Consent Calendar.

According to the fiscal note prepared by the Division of Budget, the bill would have no fiscal effect.