

MINUTES OF THE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 a.m. on March 10, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the Committee:

Judi Stork, Deputy State Bank Commissioner
Kevin Davis, Kansas Insurance Department
Bill Sneed, State Farm Insurance
Brad Smoot, National Council of Compensation Ins.
Brad Smoot, American Insurance Association

Others attending:

See attached list.

The Chair called the meeting to order.

Confirmation hearing for State Bank Commissioner, Ed Splichal.

Bank Commissioner Splichal gave a brief statement regarding his past employment and background. Following questions from the committee, the Chair closed the confirmation hearing.
(Attachment 1)

Hearing on

HB 2056 – Financial institutions; trust examinations and annual assessments

Melissa Calderwood gave an overview of **HB 2056**. Ms. Calderwood stated that under current law, the Office of the State Bank Commissioner uses the March report on fiduciary assets, as called for by the Federal Deposit Insurance Corporation, to determine the annual assessment for trust departments of banks. She said this bill would require that the December 31 report be used. She stated that the State Bank Commissioner's Office indicated **HB 2056** would have no fiscal effect on its operations.

Judi Stork, Deputy Bank Commissioner for Kansas, spoke in support of **HB 2056**. She said this bill amends K.S.A. 9-1703 which is the banking statute that outlines how banks and trust companies are assessed. She said these annual assessments, which are made in July of each year, fund the activities of the banking division. She indicated this is a simple amendment that changes the date of the report on which assessment for trust departments of banks are based. She added that in general, trust departments that have less than \$250,000,000 in fiduciary assets are only required to submit trust asset information annually on the December 31 report. Because of this, the Office of the State Bank Commissioner is asking the assessments be based on the December call report information instead of using the current March date. Also, because of this, the language in this section of the bill needs to change to use the December call report information versus the current March information. (Attachment 2)

The Chair closed the hearing on **HB 2056**.

Hearing on

HB 2074 – Rate filings; disclosure of trade secrets or copyrighted material

Melissa Calderwood gave an overview of **HB 2074**. She stated that this bill was requested by the Kansas

CONTINUATION SHEET

The minutes of the Financial Institutions & Insurance Committee at 9:30 a.m. on March 15, 2011, in Room 152-S of the Capitol.

Insurance Department. She said under current law, an insurance rate filing, and any supporting information that an insurance company submits to the Commissioner of Insurance, is open to public inspection and access. She said this bill would make information that is copyrighted or that is a trade secret exempt from access or disclosure. She said the Insurance Department indicated passage of this bill would have no fiscal effect on its operations.

Kevin Davis, Kansas Insurance Department, testified in support of **HB 2074**. Mr. Davis said this bill would amend K.S.A. 40-955 to provide that certain documents filed with the Kansas Insurance Department which are considered trade secrets or are copyrighted material shall not be required to be disclosed by the Department. He said this amendment is the result of Attorney General Opinion Number 2010-17 issued last year which stated that absent any other authority, this material is subject to disclosure by the Department. He said this amendment is intended to clarify the Department's authority to protect this material. He said the Kansas Insurance Department believes there is certain information included in some filings which meets the definition of trade secret and it is reasonable to protect from disclosure. He said a trade secret is defined as information, including a formula, pattern, compilation, program, device, method, technique or process that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. (Attachment 3)

Bill Sneed, representing State Farm Insurance Companies, testified in support of **HB 2074**. Mr. Sneed said in many instances, the Insurance Department will request information during its evaluation of a rate filing. He said although it does not happen often, there are instances when the material that is being requested is by federal and state law deemed a trade secret. He said under current law, there is a dispute as to whether a document legally determined to be a trade secret is in fact unavailable for protection under the Kansas Open Records Act if that designation is not specifically listed in the statute at hand. He said because of this confusion, this bill is an attempt to codify what has been a long standing practice to allow these records to retain their status as a trade secret or copyrighted material. (Attachment 4)

Brad Smoot, representing National Council on Compensation Insurance, testified in support of **HB 2074**. He said in the past, the Kansas Insurance Department has been provided with copies of copyrighted manuals for their review in connection with the annual workers compensation filings and other matters. He said with mandatory electronic filings, it has become nearly impossible for the Insurance Department to respect the copyrights of NCCI or other rating bureaus or filers. He said it should not be the business or practice of any state agency to violate federal copyright laws and the rights of companies that must do business with those agencies. He added that under current interpretation, the department is virtually powerless to protect against illegal copying of copyrighted materials in its possession whether housed in files or computers. (Attachment 5)

Brad Smoot, representing American Insurance Association testified in support of **HB 2074**. Mr. Smoot stated that Kansas insurance laws require insurers to file policy forms and rates with the Kansas Insurance Department for review and approval. When doing so, he said the Department needs and requests supporting documents that justify the filings submitted. He said without this background information the Department would be unable to confidently approve the filings. He said often documents submitted contain company trade secrets or copyrighted materials not intended for public access or copying. He added that for decades this background information has been kept confidential for use by the Insurance Department only when marked "trade secret" or "copyrighted." It has never been the business of the state of Kansas to violate the trade secret and copyright protections otherwise authorized by state and federal laws. (Attachment 6)

The Chair closed the hearing on **HB 2074**.

Confirmation of State Bank Commissioner

Senator Schmidt moved that the confirmation of State Bank Commissioner, Ed Splichal, be moved to the Senate floor. Senator Masterson seconded. Motion passed.

Final action

CONTINUATION SHEET

The minutes of the Financial Institutions & Insurance Committee at 9:30 a.m. on March 15, 2011, in Room 152-S of the Capitol.

Sub. For SB 206 – concerning surplus lines insurance; relating to the surplus lines insurance multi-state compliance compact

Senator Longbine moved to pass out favorably substitute for SB 206 as amended. Senator Masterson seconded. Motion passed.

The next meeting is scheduled for March 14, 2011.

The meeting was adjourned at 10:10 a.m.

DATE: 3-10-11

[illegible]

Senate Confirmation Information Summary

Prepared and Submitted by the Office of Governor Sam Brownback

Appointee: Edwin Splichal

Position: State Bank Commissioner

Expiration Date: N/A

Term Length: POG

Statutory Authority: K.S.A. 75-1304

Party Affiliation: R

- Statutory geographic representation Requirements (insert any that apply)

Congressional District: 1

County: Republic County

Size Requirement (*if any*):

Other, specify:

- Statutory party affiliation requirement: N/A
- Statutory industry or occupation requirements: N/A

Salary: 105,000

Predecessor: Judi M. Stork

Board Composition Prior to Confirmation of New Appointee:

Acting Bank Commissioner, Judi M. Stork

*F&I Committee
March 10, 2011
Attachment 1*

Kansas Senate

CONFIRMATION OVERSIGHT COMMITTEE APPOINTMENT QUESTIONNAIRE

Full Name: Edwin G. Spichal
(please include title and middle name along with any names previously used)

Home Address: 1520 170 Road Belleville, KS 66935
(Street Address) (City, State, Zip)

Driver's License Number: [REDACTED] Social Security Number: [REDACTED]

Position to which Appointed: State Bank Commissioner

Appointing Authority: Gov. Elst Brownback

* Information on this page will not be made public but is used by the KBI and Department of Revenue.

(for Committee use only)

KBI Check: N/A ☐ In-Process ☐ Complete ☐

DOR Check: N/A ☐ In-Process ☐ Complete ☐

This Questionnaire is to be fully completed by each appointee appearing before the Senate Confirmation Oversight Committee (Committee) and returned to the Committee Chairman's Office. A meeting of the Committee to consider an appointee will not be scheduled until a completed questionnaire and other forms are received by the Chairman. Please answer each question completely to the best of your knowledge. Should a question not be applicable, please so state. Hand-written responses are strongly discouraged. If filling out this form electronically, "☐" should be replaced with "X" by the appropriate response on the form. Please contact your appointing authority if you have questions when completing the form.

Full Name: Mr. Edwin George Splichal
(please include title and middle name along with any names previously used)

Position to which Appointed: State Banking Commissioner

Appointing Authority: Gov. Elect. Brownback

Home Address: 1520 170 Road Belleville, KS 66936
(Street Address) (City, State, Zip)

Business Name: N/A

Business Address: N/A
(Street Address) (City, State, Zip)

Position Title: N/A

Home Phone: 785-527-2690 Business Phone: _____ Cell Phone: 785-527-1441

Fax Number: N/A E-Mail Address: egsplichal@yahoo.com

Kansas resident? ☒ Yes / ☐ No Date of Birth: 2-23-43 Place of Birth: Belleville, KS

Registered Voter? yes Party Affiliation: Republican

Congressional District: 1st Kansas Senate District: 21 Kansas Representative District: 109

Do you have the legal right to live and work in the United States? ☒ Yes / ☐ No

Please answer the following questions numbered 1 – 43. Each question **MUST BE ANSWERED ON THIS ORIGINAL FORM.** If the answers the question are provided on your resume, please state "See Resume" or if you supply additional attachment(s) with answers, please state "See Attachment(s)" on this form.

1. What is your educational background? See Resume
2. Describe your employment experience. Include any expertise related to the position to which you were appointed. See Resume

3. List any professional licenses that you have obtained and include the number for each license. *1/2*
4. Why do you feel you are a good candidate for the position to which you have been appointed?
33 years banking experience, 19 as president + CEO
5. What do you see as the purpose or mission of the role to which you have been appointed?
Administration of All aspects of State banking department
6. **Military Service:** List rank, date and type of discharge from active service.
☐ None *Sargent E5 - Discharge 7-1970 - Honorable Discharge*
7. **Government Experience:** List any experience or association with local, state or federal government (exclusive of elective public office but including advisory, consulting, honorary, appointed or other part-time service or positions) and include dates of service.
☒ None
8. **Elective Public Office:** List all elective public offices sought and/or held with dates of service.
☒ None
9. **Campaigns:** Have you ever played a role or held a position in a political campaign? If so, please identify the candidate(s), the dates of the campaign and describe your involvement.
☒ No ☐ Yes
10. **Honors and Awards:** List all scholarships, fellowships, honorary degrees, honorary society memberships and any other special recognition for outstanding service or achievements.
☐ None *See Resume*
11. **Organization Affiliations:** List all civic, cultural, educational, charitable, or work-related organizations that you have been associated with in the past ten years. Include any position held in the organization and the dates of service.
☐ None *See Resume*
12. **Organization Restrictions:** To your knowledge, is any organization listed above restricted on the basis of race, color, religion, sex, national origin, disability, marital status or veteran status? If so, please describe.
☒ No ☐ Yes
13. **Issues:** Have you ever been publicly identified, in person or by organizational membership, with a particularly controversial national or local issue? If so, please describe.
☒ No ☐ Yes
14. **Submission of Views:** Have you ever submitted oral or written views to any governmental authority, whether executive or legislative, or to the news media on any particularly controversial issue other than in an official governmental capacity? If so, please describe.
☒ No ☐ Yes
15. **Associations:** Have you ever had any association with any person, group or business venture that could be used, even unfairly, to impugn or attack your character and qualifications for the position to which you seek to be appointed? If so, please describe.
☒ No ☐ Yes

16. **Opposition:** Do you know of any person or group who might take overt or covert steps to attack, even unfairly, your appointment? If so, please identify and explain the basis for the potential attack.
☒No ☐Yes
- 17. **Miscellaneous:** List any factors, other than the information provided above, which particularly qualifies you or is relevant to the position to which you are seeking appointment? Include any special skills.
☐None
18. **Relationship to Governmental Employees:** Are you or your spouse or other close family members related to any state governmental official or employee? If so, please provide details.
☒No ☐Yes
19. **Compensation:** During the past five years, have you or your spouse or other close family members received any compensation or been involved in any financial transaction with the State of Kansas? If so, please explain.
☒No ☐Yes
20. **Business Relationships:** Describe any business relationship, dealing or financial transaction which you have had during the last five years, whether for yourself, on behalf of a client or acting as an agent, which you believe may constitute an appearance of impropriety or result in a potential conflict of interest in the position to which you want to be appointed. If none, please so state.
☒None
21. **Transactions with Officials:** During the past five years, have you or your spouse or other close family members received any compensation or been involved in any financial transaction with any state government official? If so, please explain.
☒No ☐Yes
22. **Spouse or Other Family Members:** If the nature of employment for your spouse or other close family member is related in any way to the position to which you have been appointed, please indicate the employer, the position and the length of time it has been held. If not, please so state.
☒No ☐Yes
23. **Lobbying Activities:** Describe any lobbying activity during the past ten years in which you and/or your spouse have engaged for the purpose of influencing the passage, defeat or modification of any legislative or administrative action. Lobbying activity includes any activity performed as an individual or agent of another individual, or of any organization that involves direct communication with an official in the executive branch of state government or any official of the legislative branch. If none, please so state.
☒None
24. **Regulated Activities:** Describe any interest that you, your spouse or other close family member may have (whether as an officer, owner, director, trustee, or partner) in any corporation, firm, partnership or other business enterprise and any non-profit organization or other institution that is regulated by or receives direct financial benefits from any department or agency of the State of Kansas. If none, please so state.
☒None

25. **Other:** Please describe any other matter in which you are involved that is or may be incompatible or in conflict with the discharge of the duties of the position to which you have been appointed or which may impair or tend to impair your independence of judgment or action in the performance of the duties of that position. If none, please so state.
☒None
26. **Conflict of Interest:** How would you resolve any potential conflicts of interest that, while maybe unforeseen at this point in time, could arise? *would resign position, or cease being a part of such conflict.*
27. **Citations:** Have you ever been cited for a breach of ethics for unprofessional conduct, or been named in a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, please provide details.
☒No ☐Yes
28. **Convictions:** Have you ever been convicted of or entered a plea of guilty or nolo contendere or forfeited collateral for any criminal violation other than a traffic infraction? (Please include any offenses of driving under the influence, operating while impaired, reckless driving, or the equivalent offenses in other states.) If so, please explain.
☒No ☐Yes
29. **U.S. Military Convictions:** Have you ever been convicted by any military court? If so, please provide details.
☒No ☐Yes
30. **Imprisonment:** Have you ever been imprisoned, been on probation or been on parole? If so, please provide details.
☒No ☐Yes
31. **Agency Proceedings/Civil Litigation:** Are you presently, or have you ever been, a party in interest in any administrative agency proceeding or civil litigation that is related in any way to the position to which you are seeking appointment? If so, please provide details.
☐No ☒Yes *Board member BANK VI. Bank VI is under a better understanding from the State Banking Department.*
32. **Agency Proceedings and Civil Litigation of Affiliates and Family:** a.) Is your spouse or other close family member currently, or ever been, a party in interest in any administrative agency proceeding or civil litigation that is related in any way to the position to which you are seeking appointment? If so, please provide details.
☒No ☐Yes
- b.) Has any business in which you, your spouse, close family member or business associate are or were an officer, director or partner been a party to any administrative agency proceeding or civil litigation relevant to the position to which you are seeking appointment? If so, please provide details. (With respect to this question, you need only consider proceedings and litigation that occurred while you, your spouse, close family member, or business associate were an officer of that business.)
☒No ☐Yes

33. **Other Litigation:** a.) Other than the litigation described in question 32, have you or any business in which you are or were an officer, director, or partner been a plaintiff or a defendant in a civil lawsuit? If so, please describe.
☒ No ☐ Yes
b.) Are you aware of any pending or anticipated litigation against you or any business in which you are an officer, director, or partner? If so, please describe.
☒ No ☐ Yes
34. **Drivers License:** Has your driver's license ever been suspended or revoked? If so, please describe.
☒ No ☐ Yes
35. **Parking Tickets:** Do you have outstanding parking tickets from any jurisdiction that have remained unpaid for more than 60 days? If so, please explain.
☒ No ☐ Yes
36. **Security Clearance Denial:** Have you ever been denied a military or other governmental clearance? If so, please explain.
☒ No ☐ Yes
37. **Firings:** a.) During the past ten years, have you been fired from a job for any reason? If so, please explain.
☒ No ☐ Yes
b.) During the past ten years, have you quit a job after being told that you would be fired? If so, please explain.
☒ No ☐ Yes
c.) During the past ten years, did you leave a job by mutual agreement because of specific problems? If so, please explain.
☒ No ☐ Yes
38. **Alimony and Child Support:** Are you now, or have you ever been, delinquent in the payment of alimony or child support? If so, please explain
☒ No ☐ Yes
39. **Consumption of Alcohol:** Have you ever or are you currently abusing alcohol? If so, please explain.
☒ No ☐ Yes
40. **Controlled Substances:** Have you ever or are you currently engaged in the illegal use of a controlled substance or abusing the use of a prescribed controlled substance? If so, please explain.
☒ No ☐ Yes
41. **Physical Examination:** If you receive a conditional offer of appointment or employment, would you be willing to take a physical examination, which may include a drug test?
☐ No ☒ Yes

42. **Governmental Delinquencies:** Are you delinquent in the payment of any obligation owed to the federal or state government or any political or taxing subdivision or any instrumentality thereof? (Include delinquencies in the payment of: Income, property, or other taxes; exactions, fees or special assessments; loans, including any defaults, on or under loans which are or were made by, guaranteed, insured or subsidized by any unit of government or instrumentality thereof; overpayment of benefits; required payments into or under governmental programs; payments under a diversion arrangement or other repayment schedule.) If applicable, please state whether such delinquency is under formal appeal.
☒ No ☐ Yes
43. **Other:** Please provide any additional information, favorable or unfavorable, which you feel should be considered in connection with your appointment. If none, please so state.
☒ None

Please include resume and completed Statement of Substantial Interest not more than twelve months old.

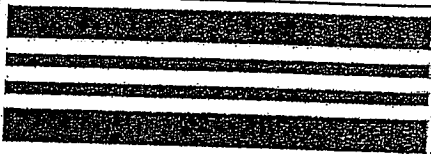
REFERENCES

Name: Mr Tim Muog Knows you how?: Through Kansas Bankers Assoc.
Address: 1924 S. 10 Indian Woods Lane Topeka, KS 66611
(City, State, Zip)
Home Phone: 785-357-4189 Business Phone: —

Name: Mr Harold Stokes Knows you how?: Through Kansas Bankers Assoc.
Address: 59 Popper Tree Lane Topeka, KS 66611
(City, State, Zip)
Home Phone: — Business Phone: 785-295-2745

Name: Tom Wilbur Knows you how?: Banking Experience - Director
Address: 2131 Columbine Ct. Salina, KS 67401
(City, State, Zip)
Home Phone: 785-825-2624 Business Phone: 785-825-4321

Name: Mr Ron Evert Knows you how?: Former employee
Address: 2509 N St Belleville, KS 66935
(City, State, Zip)
Home Phone: 785-527-5322 Business Phone: 785-527-2268



STATE OF KANSAS



Sec. of St. bar code

KANSAS GOVERNMENTAL ETHICS COMMISSION

STATEMENT OF SUBSTANTIAL INTERESTS FORM

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by individuals who are required to do so by law. Any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 785-296-4219.

A. IDENTIFICATION:

PLEASE TYPE OR PRINT

Splichal Edwin G.
Last Name First Name MI

Karen
Spouse's Name

1520 170 Road
Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

Belle, KS 66935
City, State, Zip Code

785-627-2690 785-527-1441
Home Phone Number (include area code) Business Phone Number (include area code)
cell

B. THIS FORM IS REQUIRED TO BE FILED BECAUSE YOU ARE:

(check one or more of the following)

- ☐ 1. State Elected Official (Governor, Lt. Governor, Attorney General, Commissioner of Insurance, State Treasurer, Secretary of State, State Senator, State Representative, Member of State Board of Education, or District Attorney);
- ☒ 2. Appointed Member of a State Board, Council, Commission or Authority;
- ☐ 3. Appointed State Position is Subject to Senate Confirmation;
- ☐ 4. Employee of a State Agency or University;
- ☐ 5. General Counsel for State Office;
- ☐ 6. Candidate for State Office;
- ☐ 7. Other (Contractor / Member of Compact).

List Name of Agency, Board, University or Elected Position (You may use abbreviations but not acronyms)

State Banking Department Commissioner
Agency Division if applicable (May use acronyms) Position

* The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

2221

- C. **OWNERSHIP INTERESTS:** List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income, and specific stocks, mutual funds or retirement accounts in which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here ☐.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	PERCENT OF OWNERSHIP INTERESTS	HELD BY WHOM
1. Edwin & Karen Sphicthal	Form land	owner	100%	Joint
2. United First Agency Inc. 2004 m St. Belle Isle KS	Ins. Agency	Partner	1/3	LHC
3. 401 K — A.G. Edwards Transferred to Waddell + Reed	Retirement	owner	100%	Joint
4. BALI Astra Bank — 1205 18th St. Belle Isle	"	Astra Bank	100%	Astra
5. IRA Charles Schwab & Co. Inc.	Retirement	owner	100%	Joint
6. Coca Cola Co.	Beverage	stock	minimal	Joint
7. Ford Motor Co.	Vehicle mfg.	"	"	"
8. Great Plains Energy	Power Co.	"	"	"
9. Florida Power & Light	"	"	"	"
10. Potomac Electric	"	"	"	"

All stocks held in
U.M.B. Financial
Services Inc.

W & L

Umb Financial

- D. **GIFTS OR HONORARIA:** List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here ☒.

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1.		
2.		
3.		

- E. RECEIPT OF COMPENSATION:** List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE ☐.

If you have nothing to report in Section "E"1, check here ☐.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	BOLT - Astra Bank	1206 18 th - Belleville, KS	Banking
2.	Document Resources Inc.	414 S 5 th - Manhattan, KS	Document Production & Storage

3) BANK III

4) 2. Farm

- 3) BANK III
4) 2. Farm
1900 South Ohio, Salina, KS
1520 17th - Belleville, KS
Bank Farming

3) BANK III
4) 2. Farm
1900 South Ohio, Salina, KS
1520 17th - Belleville, KS
Bank Farming

If you have nothing to report in Section "E"2, check here ☒.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.			
2.			

- F. OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS:** List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section.
- If you have nothing to report in Section "F", check here ☐.

BUSINESS NAME AND ADDRESS	POSITION HELD	HELD BY WHOM
1. Document Resources Inc. 414 S 5 th - Manhattan, KS	Sales Representative Chairman of the Board	Edwin Spichal David Koller
2. Bank III 1900 South Ohio, Salina, KS	Director	Edwin Spichal
3. North Central Health Care Foundation 2420 G Street, Belleville, KS	Director	Edwin Spichal
4. Coronado Area Council, Boy Scouts of America Salina, KS	Director	" "
5. Douglas Foundation Board 115 W 1 st N. - Olathe, KS	"	" "
6. JORGENSEN Scholarship Committee 2420 G Street, Belleville, KS	"	" "
7. St. Edwards Finance Council 1827 Q St, Belleville, KS	member	" "
8. Catholic Charities 425 W 70 th St, Salina, KS	"	"

- G. RECEIPT OF FEES AND COMMISSIONS:** List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses. In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here ☒.

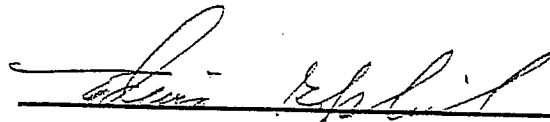
	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

H. DECLARATION:

I, Edwin G. Spichal, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

12-31-10

Date



Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES 2

Return your completed statement to the Secretary of State, Elections Division, Memorial Hall, First Floor, 120 SW 10th, Topeka, Kansas 66612-1594.

Print Form

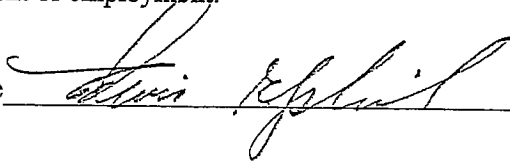
1-12
Reset Form

AUTHORIZATION AND CERTIFICATION:

The facts set forth in my application are true and complete. False statements, answers, or omissions on this application shall be sufficient cause for nonconsideration or for dismissal after appointment or employment. I also recognize that my selection is based on receipt of satisfactory information from former employers and references, and upon my ability to perform the essential elements, with or without reasonable accommodations, for the position for which I am applying. I herein authorize investigation, without liability, of the information supplied by me in this application for employment or appointment including academic, occupational, health, law enforcement, and government records. I also authorize listed employers and references, without liability, to make full response to any inquiries in connection with this application for appointment or employment. I understand and agree that the terms, conditions, compensation, benefits, hours, schedule, and duration of my appointment or employment may be determined, changed, or modified from time to time at the will of the appointing authority or designee without limitation or condition. I FURTHER CERTIFY THAT I HAVE READ THE FOREGOING PARAGRAPH AND KNOWINGLY MAKE THIS AUTHORIZATION BY SETTING FORTH MY SIGNATURE.

I understand that if I am required to be registered, licensed, or certified by federal or state law or regulation for the position I seek, I will notify the appointing authority immediately if any investigation, limitation, or cancellation of my registration, licensure, or certification occurs. If any investigation, probation, limitation, or cancellation occurs, I understand that my failure to notify my appointing authority as described above will result in the termination of my appointment or employment.

Signature



Date 12-21-10

**Kansas
Senate**

CONFIRMATION OVERSIGHT COMMITTEE

Acknowledgment of Release of Tax and Criminal Records Information Form

I, Edwin G. Spichal acknowledge that as part of the
(print name)

Senate Confirmation Oversight Committee process I will:

- be subject to a criminal records background investigation by the Kansas Bureau of Investigation; and
- have my tax records released by the Kansas Department of Revenue.

Such information will not be released to the general public, but will be made available for review at the appropriate time by:

- Myself;
- My appointing authority;
- Chairperson of the Senate Confirmation Oversight Committee; and
- The Vice Chair of the Senate Confirmations Oversight Committee.

By signing the "Authorization and Certification" section (on page 8) of the Senate Confirmation Oversight Committee questionnaire, the Kansas Department of Revenue will be authorized to release my tax information and the Kansas Bureau of Investigation will be authorized to conduct a criminal background investigation on me and provide that information to the appropriate individuals.

Signature

Edwin G. Spichal

Date 12-31-10

RESUME OF EDWIN G. SPLICHAL

Born: February 23, 1943, Belleville, Kansas
Home Address: 1520 170 Road, Belleville, Kansas
Telephone: Home: 785-527-2690
Cell: 785-527-1441
e-mail: egsplichal@yahoo.com
Married: Karen J.(Wistuba) Splichal
Children: Steven and wife Julie, daughters Lauryn, Camryn, and son Garrett
Sara and husband Johannes and daughter Elisabeth, son Matthieu
Susan and husband Steve, sons Benedict, Andrew, George and Henry
Scott and wife Stephanie, daughter Peyton

Education: Graduated: Munden High School, Munden, Kansas 1961
Kansas State Teachers College, Emporia, Kansas 1966. BSE, Education.
Kansas State Teachers College, Emporia, Kansas 1968 MSE, Secondary Education Administration
Post Graduate Work, University of Kansas, Lawrence, Kansas
15 hours College Administration

Bank Schools: Basic School of Banking, Lincoln, Nebraska
Intermediate School of Banking, Lincoln, Nebraska
Kansas Association of Bank Agricultural Representatives (KABAR) First and Second Year Lending Schools
Four Courses, American Institute of Banking
Hedging Seminar, Chicago Mercantile Exchange, Chicago Illinois
Graduate School of Banking, Madison, Wisconsin

Experience: 1966 Oskaloosa High School, Oskaloosa, Kansas, Teacher, all Business subjects
1966-'68 USD #339, Nortonville-Winchester, Kansas, Teacher, all Business subjects
1968-'70 U.S. Army, Honorable discharge, one year Vietnam, last Rank—Sergeant E-5
1970-'73 USD #339 High School Principal
1973-'77 Hutchinson National Bank & Trust Company, Hutchinson, Kansas, Correspondent and Agricultural Loan Officer
1977-2/23/08 First National Bank (Now Astra Bank), Belleville, KS (Bank President, January 1989 to 2/23/08)

Personal Organizations: Past member Governing Council, Kansas Bankers Association
Past member Federal Affairs Committee, Kansas Bankers Association
Past Board Member, Bankers' Bank of Kansas
Past State Membership Chairman, American Bankers Association
Past President, KABAR
Past Agricultural Committee Member, Kansas Bankers Association
Past Instructor, KABAR Agricultural School (6 years)
Past Treasurer, Kansas Bankers Association
Past President, Kansas Bankers Association
Past member, Advisory Task Force, Graduate School of Banking, Madison, Wisconsin
Past member, Transition Task Force, Kansas Bankers Association
Past Regional Vice President, Kansas Bankers Association, (2 Terms of 3 years each)
Past KBA/NBA Schools of Banking, Advisory Committee Member

Community Organizations: Chairman, North Central Health Care Foundation
Belleville Lions Club
Coronado Area Council, Boy Scouts of America, Board of Directors and Executive Committee
Board of Director member, BANK VI, Salina, Kansas
Chairman of the Board, Document Resources
Past Leader, Boy Scout Troop 56
Past District Chairman, Piconda Area Council, Boy Scouts of America
Director, Jorgenson Scholarship Committee
Belleville Chamber of Commerce Industrial Development Committee
Duclos Foundation Board
Member and Past Grand Knight, Belleville Knights of Columbus
St. Edward Catholic Church Finance Council
Parish Council, St. Edward Catholic Church (12 years)
Past member, Board of Directors, Catholic Charities, Salina Diocese, Salina, KS
Diocese of Salina Respect Life Commission
Diocese of Salina Planning Commission
Past USD #427 Site Council
Past member, Ag. Committee, Belleville Chamber of Commerce
Past member Board of Directors, Belleville Chamber of Commerce (3 years)
Past member Board of Directors, Belleville Chamber of Commerce, Fair Amusements Committee (5 years)

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Edwin G. Splichal, Acting Commissioner

Office of the State Bank Commissioner

Sam Brownback, Governor

SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
March 10, 2011

Madame Chairperson and Members of the Committee:

My name is Judi Stork and I am the Deputy Bank Commissioner with the Office of the State Bank Commissioner. I am here today to speak in support of House Bill 2056.

This bill amends K.S.A. 9-1703 which is the banking statute that outlines how we assess our banks and trust companies. These annual assessments, which are made in July of each year, fund the activities of the banking division of our agency. This is a simple amendment that changes the date of the report on which we base our assessment for trust departments of banks. Currently, the statute requires the agency to assess the trust departments based on the amount of assets reflected in the bank's March 31 report of condition to the Federal Deposit Insurance Corporation. We recently determined that not all trust departments are required to report their trust assets on the March report of condition. In general, trust departments that have less than \$250,000,000 in fiduciary assets, are only required to submit trust asset information annually on the December 31 Report. Because of this, as can be seen on page one, line 33, we are asking the assessments to be based on the December call report information, instead of using the current March date.

Also in this bill, beginning on page two, line seven, our agency can grant inactive status to a trust department that reports zero assets on their call report. We need to change the language in this section of the bill to use the December call report information, versus the current March information, for the same reason noted above.

Thank you for your time and consideration. I would ask the committee for your favorable support of this bill. I would be happy to answer any questions for the committee.

*FI & I Committee
March 10, 2011
Attachment 2*



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

TESTIMONY ON HB 2074

SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE March 9, 2011

Madam Chair and Members of the Committee:

I am Kevin Davis with the Kansas Insurance Department and with me today is Jim Newins of our Property and Casualty Division.

Thank you for the opportunity to testify in support of HB 2074. This bill would amend K.S.A. 40-955 to provide that certain documents filed with the Kansas Insurance Department which are considered trade secrets or are copyrighted material shall not be required to be disclosed by the Department. This amendment is the result of Attorney General Opinion Number 2010-17 issued last year which stated that absent any other authority this material is subject to disclosure by the Department. This amendment is intended to clarify our authority to protect this material.

The documents in question are part of the material required to be filed with the Department by insurers when they seek to modify their property and casualty forms and rates. This may include forms and rates as well as any necessary supporting information required to support the filing. For example this may include such material as bureau manuals, underwriting models, data developed specifically by zip code or territory, and other insurer developed proprietary data.

A trade secret is defined in KSA 60-3320 as:

- (4) "Trade Secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:
 - (i) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
 - (ii) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The Kansas Insurance Department believes that there is certain information included in some filings which meets the definition of trade secret and it is reasonable to protect from disclosure. In addition, copyrighted material which is properly identified under the provisions of federal

*FI, I Committee
March 10, 2011
Attachment 3*

TO: The Honorable Ruth Teichman, Chair
Senate Financial Institutions and Insurance Committee

FROM: William W. Sneed, Legislative Counsel
The State Farm Insurance Companies

SUBJECT: H.B. 2074

DATE: March 9, 2011

Madame Chair, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for the State Farm Insurance Companies. State Farm is the largest insurer of homes and automobiles in Kansas. State Farm insures one out of every three cars and one out of every four homes in the United States. Please accept this memorandum as our support for H.B. 2074.

As I am sure the Committee has been briefed, this bill is to clarify Kansas law as it relates to property and casualty insurers filing material deemed to be a trade secret or copyrighted that is included with filings made with the Insurance Department. Because of the confusion, industry has met with the Insurance Department in an attempt to present this bill so that the information the Insurance Department needs in its rate filings can be provided by the insurance companies, and at the same time, the insurance companies would be afforded disclosure protection as enumerated under current Kansas law.

In many instances, the Insurance Department will request information during its evaluation of a rate filing. Although it does not happen often, there are instances when the material that is being requested is by federal and state law deemed a trade secret. Under current law, there is a dispute as to whether a document legally determined to be a trade secret is in fact unavailable for protection under the Kansas Open Records Act if that designation is not specifically listed in the statute at hand.

Because of this confusion, we are simply attempting to codify what has been a long-standing practice to allow these records to retain their status as a trade secret or copyrighted material.

Again, this information is provided to the Insurance Department, and under the appropriate circumstances, could be subject to disclosure under the direction of the courts; but under that scenario the insurance companies are provided the protection of the courts so that the material is not disseminated until a court of competent jurisdiction has made a final decision.

This bill passed the House 112-5.

Thus, based upon the foregoing, we respectfully request that the Senate Financial Institutions and Insurance Committee look favorably on H.B. 2074 and pass it out to the full Senate.

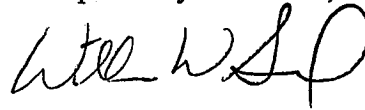
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FI&I Committee
March 10, 2011
Attachment 4

The Honorable Ruth Teichman, Chair
Senate Financial Institutions and Insurance Committee
March 9, 2011
Page 2

I am available for questions at your convenience.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WWS', is written over the printed name.

William W. Sneed

WWS:kjb

BRAD SMOOT
ATTORNEY AT LAW

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STATEMENT OF BRAD SMOOT
LEGISLATIVE COUNSEL
NATIONAL COUNCIL ON COMPENSATION INSURANCE
SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
Regarding 2011 House Bill 2074
March 9, 2011

Madam Chair and Members:

On behalf of the NCCI, the National Council on Compensation Insurance, I am pleased have the opportunity to offer support for 2011 HB 2074, introduced at the request of the Kansas Insurance Department. NCCI manages the nation's largest database of workers compensation insurance information. NCCI analyzes industry trends, prepares workers compensation insurance rate recommendations, determines the cost of proposed legislation and provides a variety of services, tools and publications to maintain a healthy workers compensation insurance system.

In Kansas, NCCI files modifications to loss cost levels for the voluntary and assigned risk workers compensation system. Kansas' laws and regulations require the Insurance Commissioner to approve an annual loss cost level from which individual companies can establish their competitive multipliers. NCCI also provides cost analysis of various legislative and regulatory proposals so that policy makers in Kansas will have a reliable estimate of the potential financial impact of the changes being considered for the workers compensation system. NCCI collects and maintains its massive database and performs these public services free of charge to the state of Kansas. The cost of these and other services performed by NCCI is born by affiliate dues and the sale of publications in this specialized insurance market. Consequently, many of the tools and publications of NCCI have financial value and are copyrighted in accordance with federal law.

In the past, we have provided the Kansas Insurance Department with copies of copyrighted manuals for their review in connection with the annual workers compensation filings and other matters. With the new Attorney General's Opinion 2010 - 17 and the advent of mandatory electronic filings, it has become nearly impossible for the Insurance Department to respect the copyrights of NCCI or other rating bureaus or filers. It should not be the business or practice of any state agency to violate federal copyright laws and the rights of companies that must do business with those agencies. Under the current interpretation of K.S.A. 2010 Supp. 40-955, the Department is virtually powerless to protect against illegal copying of copyrighted materials in its possession whether housed in files or computers. HB 2074 will take us back to the rule of law we had before the AG's Opinion and properly guard the copyrights guaranteed by federal law. Thank you.

*FI&I Committee
March 10, 2011
Attachment 5*

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STATEMENT OF BRAD SMOOT
LEGISLATIVE COUNSEL
AMERICAN INSURANCE ASSOCIATION
SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
Regarding 2011 HOUSE BILL 2074
March 9, 2011

Madam Chair and Members:

On behalf of the American Insurance Association, a nationwide trade association whose 300 member companies write all lines of property and casualty insurance, including general liability, business, workers compensation, medical malpractice, homeowners and auto, I am pleased to appear today in support of House Bill 2074.

Kansas insurance laws require insurers to file policy forms and rates with the Kansas Insurance Department for review and approval. When so doing, the Department needs and requests, supporting documents that justify the filings submitted. Without this background information, the Department would be unable to confidently approve the filings. Often, however, the submissions include documents that contain company trade secrets or copyrighted materials, not intended for public access or copying. For decades, this background information has been kept confidential for use only by the Insurance Department, when marked "trade secret" or "copyrighted." Frankly, it has never been the business of the state of Kansas to violate the trade secret and copyright protections otherwise authorized by state and federal laws.

Unlike other lines of insurance, however, property and casualty insurers have a unique statute that requires filings to be open to the public. K.S.A. 2010 Supp. 40-955 requires all filings and "supporting information" to be open for public inspection. Prior to July 1, 2010, the Department concluded that trade secret and copyright laws preempted disclosure of any materials that qualified as such. But on July 1, of last year, then Attorney General Steve Six issued Kan Atty Gen Op No 2010-17 reversing that longstanding policy and legal interpretation. On July 9, 2010, the Commissioner was forced to issue Bulletin 2010-1, notifying carriers of the consequences of the AG's Opinion. Carriers were allowed to withdraw filings that had not yet been approved and were promised that they would be notified by the Department of any proposed release of such filings 10 days prior to the release so that the insurer might take any necessary legal action to prevent release of confidential information.

Now that the Insurance Department could no longer protect confidential or copyrighted materials, it was placed in the untenable position of (a) not getting information is needs to approve or disapprove a given filing or (b) being sued by an insurer wishing to protect materials submitted to the Department in order to defend its legitimate business interests.

Finally, we would note that other lines of insurance do not require disclosure of trade secrets or copyrighted material as those filing statutes do not have the specific wording

*FI & I Committee .
March 10, 2011
Attachment 6*

contained in K.S.A. 2010 Supp. 40-955. Such filings are governed by the ordinary rules of the Kansas Open Records Act, K.S.A. 45-215 et seq., where trade secret and copyright materials would be handled in accordance with K.S.A. 45-222i (1) and (2). It is interesting to note that "trade secrets" would not be disclosed in a civil court action or a proceeding under the Kansas Administrative Procedures Act. See K.S.A. 60-432 and K.S.A. 60-3320 et seq. Nor would such trade secrets be required to be disclosed during a meeting under the Kansas Open Meetings Act. See K.S.A. 75-4317 et seq., specifically K.S.A. 75-4319(a)(4), where protection of confidential trade secrets is enumerated.

Kansas law (K.S.A. 2010 Supp 40-955), as now interpreted, makes it more difficult for the Kansas Insurance Department to do its regulatory job; encourages lawsuits against the state of Kansas and fails to protect the legal trade secret and copyright privileges otherwise recognized in state and federal law. While many of us may disagree with the Attorney General's Opinion and its reversal of the longstanding departmental practice, a legislative clarification is the most effective and efficient means to rectify the situation. We urge your support for House Bill 2074. Thank you.

Submitted: 3/4/2014
by: [illegible]
to: [illegible]