

HOUSE BILL No. 2770

By Committee on Appropriations

Requested by Representative Helgerson

2-10

1 AN ACT concerning the health care stabilization fund; relating to
2 investments; permitting the director of investments of the health care
3 stabilization fund to invest funds as authorized for insurance
4 companies; amending K.S.A. 40-3406 and repealing the existing
5 section.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 40-3406 is hereby amended to read as follows: 40-
9 3406. After consultation with the board of governors, the director of
10 investments may invest and reinvest moneys in the fund in accordance
11 with investment policies established by the pooled money investment
12 board under K.S.A. 75-4232, and amendments thereto, in the following:

13 (a) Direct obligations of, or obligations that are insured as to principal
14 and interest by, the United States of America or any agency thereof and
15 obligations and securities of the United States sponsored enterprises ~~which~~
16 *that* under federal law may be accepted as security for public funds,
17 including investments in mortgage-backed securities;

18 (b) repurchase agreements with a Kansas bank or primary
19 government securities dealer ~~which that~~ reports to the market reports
20 division of the federal reserve bank of New York for direct obligations of,
21 or obligations that are insured as to principal and interest by, the United
22 States government or any agency thereof and obligations and securities of
23 United States government sponsored enterprises ~~which that~~ under federal
24 law may be accepted as security for public funds;

25 (c) commercial paper that does not exceed 270 days to maturity and
26 ~~which that~~ has received one of the two highest commercial paper credit
27 ratings by a nationally recognized investment rating firm;

28 (d) interest-bearing time deposits in any commercial bank located in
29 Kansas;

30 (e) the municipal investment pool fund, under K.S.A. 12-1677a, and
31 amendments thereto; ~~or~~

32 (f) corporate bonds that are rated in one of the two highest credit
33 rating categories by a nationally recognized investment rating firm; *or*

34 (g) *other investments as authorized for insurance companies by*
35 *article 2a of chapter 40 of the Kansas Statutes Annotated, and*

1 *amendments thereto, to the extent that such investments are consistent*
2 *with any other applicable statute.*

3 Sec. 2. K.S.A. 40-3406 is hereby repealed.

4 Sec. 3. This act shall take effect and be in force from and after its
5 publication in the statute book.