

SENATE BILL No. 389

By Committee on Financial Institutions and Insurance

1-16

AN ACT concerning insurance; authorizing the insurance commissioner to share information with functional regulatory agencies.

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

Section 1. (a) The commissioner, by agreement, may establish an information sharing and exchange program with a functional regulatory agency with respect to all or part of an affiliated group that includes an insurance company or entity licensed or regulated by the Kansas insurance department, to reduce the potential for duplicative and burdensome filings, examinations and other regulatory activities. Each agency party to such an agreement shall agree to maintain confidentiality of information that is confidential under applicable statute or federal law and to take all reasonable steps to oppose any effort to secure disclosure of the information by such agency.

(b) Disclosure of information by or to the commissioner pursuant to this section shall not constitute a waiver of or otherwise affect or diminish a privilege to which the information is otherwise subject, whether or not the disclosure is governed by a confidentiality agreement.

(c) As used in this section: (1) "Affiliated group" means two or more persons affiliated through common ownership or a contractual common undertaking involving the sharing of customer information among such persons;

(2) "agency" means a department or agency of this state another state the United States or any related agency or instrumentality;

(3) "commissioner" shall have the meaning ascribed to it in K.S.A 40-102, and amendments thereto;

(4) "functional regulatory agency" means an agency that regulates and charters, licenses or registers persons engaged in activities that are financial in nature, incidental to financial activities, or complementary to financial activities, as those terms are used in the Gramm-Leach Bliley act of 1999 (P.L. 106-102), including activities related to banking, insurance or securities, within the jurisdiction of the agency; and

(5) "privilege" includes any work product, attorney client or other privilege recognized under federal or state law.

(d) All working papers, recorded information, documents and copies

1 thereof produced by, obtained by or disclosed to the commissioner or
2 any other person pursuant to this section must be given confidential treat-
3 ment and are not subject to subpoena and may not be made public by
4 the commissioner or any other person, except to the extent otherwise
5 specifically provided in K.S.A. 45-212 *et seq.* and amendments thereto.
6 Access may also be granted to the national association of insurance com-
7 missioners. Such parties must agree in writing prior to receiving the in-
8 formation to provide to such information the same confidential treatment
9 as required by this section, unless the prior written consent of the com-
10 pany to which such information pertains has been obtained.

11 Sec. 2. This act shall take effect and be in force from and after its
12 publication in the statute book.

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