

SESSION OF 2005

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2323**

As Recommended by House Committee on  
Insurance

**Brief\***

HB 2323 would amend KSA 40-305 and KSA 2004 Supp. 40-306 relating to stock companies and KSA 40-502 relating to mutual life insurance companies by making the existing statutory language compatible with the Kansas Corporation Code. The bill would also make technical changes to the existing law. Specifically, the bill would:

- Remove the requirement that a director of a domestic insurance company having capital stock or a mutual life insurance company take an oath of office; and
- Remove the requirement that the board of directors elect from their number a president, vice-president, secretary, and treasurer and other officers as prescribed in the bylaws of the board.

The proposed new language would remove the words “from their number” and the specific listing of company officers from existing law. The bill would require that the officers of the insurance company be chosen in a manner, be given titles and duties, and serve terms consistent with the company’s bylaws or as determined by the board of directors or other governing body.

**Background**

HB 2323 was requested by the Security Benefit Life Insurance Company whose representative stated that the proposed changes

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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>

would better align provisions in the Kansas Insurance Code with existing provisions in the Kansas Corporation Code. The Kansas Corporation Code does not require directors of a general business corporation to take an oath of office. Further, the Kansas Corporation Code does not specify the officers a general business corporation is required to have. A representative of the Kansas Life and Health Insurance Association presented testimony in support of the bill stating that the bill would make the organizational requirements of domestic insurance companies in Kansas compatible with the Kansas Corporation Code.

The fiscal note prepared by the Division of the Budget indicates that there would be no fiscal effect associated with passage of the bill.