

Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 8.—Financial Modernization

17-8-1. Financial subsidiaries.

(a) Before acquiring an interest in a financial subsidiary pursuant to K.S.A. 9-1101(29), and amendments thereto, or engaging in a new activity in an existing financial subsidiary of the bank, the bank shall provide a written notice to the commissioner that contains the following information:

(1) If acquiring an interest in a financial subsidiary, a description of the transactions through which the bank proposes to acquire control of, or an interest in, the financial subsidiary, and the percentage of ownership proposed;

(2) the name and main office address of the financial subsidiary;

(3) a description of the current and proposed activities of the financial subsidiary;
and

(4) if the proposal relates to an initial affiliation with a company engaged in insurance activities, a description of the type of insurance activities that the company is engaged in or plans to conduct, the name of each state where the company holds an insurance license, and the name of the state insurance regulatory authority that issued the license.

(b) A notice filed with the commissioner shall be deemed approved on the 15th calendar day after receipt of a complete notice unless before that time the commissioner notifies the bank of any of the following:

(1) The acquisition of the interest in the financial subsidiary or the proposed new activity in an existing financial subsidiary is approved.

(2) The notice will require additional review.

(3) The bank is not approved to acquire the interest in the financial subsidiary or to engage in the proposed new activity in an existing financial subsidiary.

(c) The aggregate consolidated total assets of all financial subsidiaries of a bank shall not exceed 45 percent of the consolidated total assets of the parent bank.

(d) If the commissioner finds that any financial subsidiary is being operated in either an illegal or an unsafe and unsound manner, the bank may be ordered by the commissioner to take appropriate remedial action or to divest itself of its interest in the financial subsidiary.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 9-1101; effective Oct. 3, 2003.)

***** Authenticated Kansas Administrative Regulation *****