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STATEMENT OF BRAD SMOOT
LEGISLATIVE COUNSEL
AMERICAN INSURANCE ASSOCIATION
SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE
January 23, 2013

Mr. Chairman and members:

On behalf of the American Insurance Association, I want to thank you for this opportunity to introduce our association to the Kansas Senate FI&I Committee and provide a bit of background on the role of our member companies in providing numerous insurance products to your fellow Kansans. AIA's 300 member companies write all lines of property and casualty insurance, including general liability, business, workers compensation, medical malpractice, homeowners and auto in Kansas and across the nation.

AIA members account for more than 20% of the P&C market nationally or \$96 billion in premium and more than 21% in Kansas with more than \$1.16 billion premium in 2011. Our members' market presence is even more significant in some lines, most notably workers compensation insurance where AIA companies hold a 33% market share in Kansas. You will no doubt recognize the names of some our members, including Farmers, Travelers, The Hartford, The Chubb Group, Zurich and Universal Underwriters, a Kansas domesticated company based in Overland Park.

AIA companies directly employ thousands of Kansans and offer their policies for sale through hundreds more independent insurance agents and brokers. AIA itself maintains offices in Washington, D.C. and several regional offices to provide support information for national and state regulators and lawmakers in the oversight of the highly complex and highly regulated property and casualty insurance market.

On behalf of our members, AIA local counsel participates in the Kansas legislative process and is given the opportunity to confer with your committee and several others in the statehouse, depending on the subject matter. Last year, for example, we commented on bills concerning financial audits and insurance holding company laws. In 2011, we addressed this Committee about regulatory reforms to increase the availability of new insurance products and pricing to Kansas consumers and changes to the state's workers compensation assigned risk plan designed to reduce the subsidies and size of that plan. I'm pleased to say that the Legislature enacted both proposals. We often present to the commerce and labor committees of both houses on workers compensation issues and occasionally we contribute to discussions in local government committees on building codes, transportation committees on traffic codes, the taxation committees on premium taxes and your judiciary committees on various tort reform and other civil law matters.

Senate Financial Institutions & Ins.

Date: _____

Attachment # _____