

KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

February 13, 2013

SB 138

**Testimony before the Senate Financial Institutions and Insurance Committee
Marlee Carpenter, Kansas Association of Property and Casualty Insurance Companies**

Mr. Chair and Members of the Committee;

Thank you for the opportunity to present information on behalf of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC), the state trade association for domestic property and casualty insurance companies.

SB 138 expands the role of a public adjustor in Kansas and allows them to operate in all lines of insurance, not just in commercial lines of insurance. KAPCIC members oppose this expansion for the following reasons:

- Kansas has a strong regulatory system with a consumer focused Commissioner. Our regulators have done an excellent job protecting Kansans from unscrupulous insurers.
- The Unfair Claims Settlement Practices Act is in force and plays a strong role in ensuring policy holders receive a fair settlement from their insurer.
- Public adjusters typically charge a percentage of the claim settlement amount. This takes money out of the pockets of Kansans that need to repair their damaged property.
- Personal lines insurance is relatively simple compared to commercial lines where public adjusters are allowed to work, and thus an intermediary is unnecessary.
- Insurers are in the business to make their customers satisfied, not to upset them with unfair claim offers. Underpaying claims is counter-productive to insurers.
- Kansas is a highly competitive personal insurance market that rewards fair dealing insurance companies with higher retention of clients.
- Public adjusters can reduce the overall claim payment the insured receives due to the fees of the adjuster. This is not necessary in Kansas.

KAPCIC members believe that SB 138 is not necessary and will in fact reduce the amount of dollars going to the insurance consumer. We believe currently, that there are adequate protections in place to protect consumers and SB 138 is not needed at this time. Thank you for your time and we would be happy to answer any questions that you may have.