



DATE: January 18, 2017

TO: The Honorable Jeff Longbine
Members of the Senate Committee on Financial Institutions and Insurance

FROM: Mark Lowry, Owner/Principal
Heritage Insurance Group, Inc.

RE: Opposition to SB14

Thank you for this opportunity to speak to you today in opposition to Senate Bill 14.

My name is Mark Lowry and I am a licensed insurance agent and small business owner from Stockton, Kansas. I have been a licensed property and casualty insurance agent for over 24 years and I own an independent insurance agency with several office locations in Northwest Kansas. I have also had the opportunity to lead within the industry as I have been a committee member or chaired many statewide insurance committees, and I have served as the President of the Kansas Association of Insurance Agents in 2011.

Over the course of my career I have had the opportunity to provide insurance coverages for literally thousands of individuals and small businesses across Kansas. Over these 24 years I have learned the intricacies of helping insureds obtain the correct coverage for their individual needs. Most insurance consumers do not have a full understanding of what their insurance needs are without counsel, and depend on the advice of a licensed insurance agent. It is a licensed insurance agent that guides them through the maze of coverages, exclusions and policy forms.

I do not feel these "limited lines agents" would provide consumers with adequate counsel. For example I am assuming these "limited lines agents" would be advising clients on coverages such as policy limits, covered perils and perhaps liability limits? Would these policies be basic form, broad form or special form? Will it have liability coverage to protect the insured if there were damages to the storage unit or others personal property? Would all insurance carriers who want to offer these types of coverages be required to match policies? Would any changes or additions to the insured's personal property be covered if they added to their unit? Who would be an insured under these types of policies? Anyone with personal property in the unit?

I know these are pretty specific questions, but that is the role of a licensed insurance agent. We listen to the client and help them determine the proper coverage for their need. I think it is a great idea for the owner of a self-storage unit to be able to offer insurance coverage for their

renters. However, very simply I feel if you want to sell property and casualty insurance in Kansas you should be required to be licensed and carry the appropriate errors and omissions coverage to protect consumers.

On a separate regulatory note this bill would require the Kansas Insurance Department to create a whole new class of insurance agents to track and manage. This would be an additional expense for KID to manage another class of insurance agents.

On a national note the insurance industry is striving toward a more standard national licensing strategy. To ease this process it would be beneficial to reduce the number of state by state limited licenses, not add additional license types.

In summary, given the complexities of insurance carrier contracts, coverages, exclusions, claims, interpolating when coverage is afforded by your homeowners, renters and/or storage facility policies requires the skill and advocacy of an educated and licensed property and casualty insurance agent.

I respectfully oppose SB 14 and would ask these individuals simply follow our current path to become a licensed insurance professional.

Thank you,

Mark Lowry
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