



March 14, 2018

Testimony in opposition to SB 362

Submitted by Aaron Mays on behalf of Allstate Insurance

Chairman Longbine and members of the Committee,

Allstate is opposed to SB 362. When customers purchase Actual Cash Value (ACV) policies, they are informed that they will get lower premiums than they would on a policy that covers full replacement costs. Customers are also informed that by purchasing an ACV policy they will likely have lower claim reimbursement on a loss. To provide those lower premiums, depreciation of all factors involved in the loss is necessary. If insurance companies, like Allstate, are unable to depreciate the labor and materials together, claim costs will rise and the viability of these ACV policies will be in jeopardy.

Allstate strives to offer a variety of policy types that can fit the needs of our customers. Many customers need and demand low cost policies. If SB 362 were to become law, it would be more difficult to provide that in Kansas.

Respectfully,

Aaron Mays