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Testimony on behalf of
The American Property Casualty Insurance Association
Opposition to HB 2463 to the House Agriculture Committee

Thank you Mr. Chairman and members of the Committee. I am Larrie Ann Brown here today on behalf of The American Property Casualty Insurance Association (APCIA). We are here to provide comments in opposition to HB 2463 as written.

Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

On behalf of our members who provide surety bonds to pesticide licensees we would respectfully request all stricken sections allowing the option of securing a surety bond to prove financial responsibility be reinserted. Surety bonds are a very common way for businesses to show proof of financial responsibility and are used widely across the United States for this purpose. Surety bonds meet the public policy goal of protecting consumers from financial harm in a very cost-effective and easily achievable manner.

- Commercial surety bonds play a vital role in meeting public policy objectives by prequalifying license applicants and thus ensuring that only qualified businesses are engaging with consumers.
- A surety bond guarantees that regulated service provider will comply with state laws and regulations.
- In the event the bonded service provider fails to perform their obligations and causes harm to the consumer, the bond is available to provide financial protection to the consumer.
- Absent this protection, consumers who are financially harmed would have to resort to costly and time-consuming lawsuits to try to recover from the at-fault party.

We believe that businesses should have the option of providing surety bonds as proof of financial responsibility and that this option should remain in the law for the benefit of those licensees who prefer to purchase a surety bond over a liability insurance policy.

We would be happy to work with the proponents of the bill and the revisor on the language and necessary amendments needed to continue to allow pesticide licensees the option of purchasing a surety bond. Thank you for consideration of our concerns.