

Hilary E. Segura
Assistant Vice President, State Government Relations

February 15, 2021

The Honorable Steven Johnson
Chair, House Insurance and Pensions
300 W. 10th, Room 276-W
Topeka, KS 66612

RE: OPPOSE HB2242 Fire Fees – WRITTEN TESTIMONY ONLY

Dear Mr. Chairman Johnson,

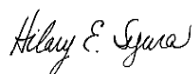
Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. We respectfully submit the following comments in opposition of HB2242.

Kansas should not be trying to squeeze additional revenue from insurers alone to fund the State Fire Marshal. The State Fire Marshal's role and responsibilities benefit all industries and the whole population in Kansas, so property and casualty insurers should not be specifically targeted to bear these costs. We are not asking that they repeal the existing .8% Fire Marshal Tax, but this tax on insurers alone should not be expanded further. If the State Fire Marshal needs more funding, the money should come from the state's general fund.

Insurers already pay a disproportionate tax burden in Kansas. For example, in FY 2022, Kansas projects that insurance premium taxes will account for 2%¹ of revenue to the state general fund, while the corporate income tax (which applies to nearly all other industries) will account for 4.8%. This means that the insurance industry alone pays more than 40% of the amount of income taxes paid by all other corporations. Kansas should spread this tax burden more fairly.

We appreciate the opportunity to express our opposition to HB2242. Thank you for your consideration of our perspective. Please contact me directly at 847-553-3689 or via e-mail at hilary.segura@apci.org or APCIA's local counsels Larrie Ann Brown at 785-640-2747 or via e-mail at larrieannbrown@gmail.com or Brad Smoot at 785-224-1200 or via e-mail at bradsmoot@smootlawoffice.com with any questions.

Sincerely,



Hilary E. Segura

¹ Revenue projections on page 19: https://budget.kansas.gov/wp-content/uploads/FY2022_GBR_Vol1-1-13-2021.pdf

