



PROTECTING ASSETS.
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DATE: March 22nd, 2021

TO: The Honorable Steven Johnson
Members of the House Insurance & Pensions Committee

FROM: SueAnn V. Schultz,
Chief Administrative Officer, Corporate Counsel &
Secretary IMA Financial Group, Inc.

RE: IMA Supports SB 37

Thank you for the opportunity to support SB 37 as amended (originally presented to your Committee as HB 2074). As your Committee heard when IMA first testified in support of SB 37, IMA Financial Group, Inc. is the 28th largest insurance broker in the US with more than 850 employees, the 6th largest independent broker in the US with 447 employee stockholders and the largest insurance broker domiciled in the state of Kansas. We have 329 employees in Kansas and offices in Topeka, Wichita, Kansas City/Overland Park, Wellington, and Emporia, and more than 200 licensed agents in Kansas.

SB 37 now includes two amendments, which IMA supports:

- Licensed agents who are active duty military are exempt from completing CE; and
- Anyone selling pre-need funeral insurance must certify to the Insurance Commissioner that it is the only insurance being sold;

As we previously testified, insurance is an extremely complicated product that is difficult for consumers to understand; the 2020 Business interruption claims could not be a better example of the complexity of coverage and challenges presented to agents to determine what risk any consumer faces and what coverages might be available to mitigate that risk. Setting the education requirements standard at 18 hours of CE, which is still less than the NAIC's national standard of 24 hours, is an appropriate guardrail to assure all agents are as educated as possible to be the best insurance professional guiding consumers through the insurance process.

Allowing agents to use NIPR for renewal licensing instead of having to run those renewals through the Kansas Insurance Department is a much needed efficiency and standardization process that we strongly support, it benefits agents and allows the Commissioner to focus on the critical regulatory issues facing the department.

Last, I want to reiterate our support for the change in appointment process. IMA has in excess of 400 appointments with carriers and we do business with more than 1,000 carriers. Kansas is the **only state** that requires all licensed employees be appointed with carriers – and while \$2.00 per licensee for KS domestic companies and \$5.00 per licensee for non-Kansas domiciled companies doesn't seem like a significant cost, we are seeing more carriers push that cost to IMA or, far more concerning, potentially decide not to do business in Kansas because of the paperwork intensive licensing and appointment requirements for a single placement. The Kansas Insurance



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Department has confirmed this revenue loss will not adversely affect their responsibilities. The result of this appointment change will help assure that our Kansas consumers have access to as many markets as possible to provide a competitive insurance environment and one that gives Kansas consumers as many choices for coverage and cost as possible.

SB 37 as amended increases the professionalism of our industry and provides efficiencies for agents domiciled in Kansas and/or doing business in Kansas. IMA supports the advancement of SB 37 as amended.

SueAnn V. Schultz
CAO, Corporate Counsel & Secretary
IMA Financial Group, Inc.