

February 16, 2015

HB2241

Chairman Schwab and Committee Members,

I appear today in support of **HB2241** which as written would prohibit the cancellation or nonrenewal of property and casualty insurance policies based solely on claims “arising from natural causes.”

Two years ago, May 18th, our farm was hit by a tornado causing extensive damage to our home, totaling several out buildings and irrigation systems. As we picked up the pieces, replaced and repaired, our insurance company did reimburse us for all that was covered. This was a large claim as we carried replacement insurance.

Now the rest of the story, we received notice last February that our policy was being cancelled on the renewal date April 6th due to the losses. For our business to continue it was essential that we at least had liability insurance or put up a “For Sale Sign.” This would have meant laying off our employees, liquidating our machinery, land, livestock etc.

As I looked for a company who would insure our business, I finally was successful in finding coverage with two companies one with a company in Nebraska covering the irrigation equipment and the rest of the farm policy on another policy. We had a 60-day window to be able to stay in business.

The tornado also damaged many other businesses in the community as it moved through the area. I know that we were not the only ones affected by cancellation of policies.

I understand that there are sometimes claims filed by those that try to abuse insurance, however when the damage is the result of Mother Nature it is not right to penalize by cancellation.

For those reasons, I am in full support of **HB2241**.

Representative Sharon Schwartz