

Approved 3-05-87
Date

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Rep. Dale M. Sprague at
Chairperson

3:30 ~~a.m.~~/p.m. on March 19, 1987 in room 531-N of the Capitol.

All members were present except:

Rep. King, Rep. Wells
Rep. Brady, Rep. Gross, Rep. Turnquist, excused

Committee staff present:

Chris Courtwright, Research Department
Bill Edds, Revisor's Office
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Michael Byington, Kansas Association for the Blind and Visually Impaired
Ron Todd, Kansas Insurance Department
Mark Bennett, Sr., American Insurance Association
Glenn Cogswell, Alliance of American Insurers

The meeting was called to order by the Chairman.

The minutes of the March 17, 1987, meeting were approved.

Hearing on: SB 105 - Insurance; discrimination against blind made unfair or deceptive act

Mr. Michael Byington, Ks. Assoc. for the Blind and Visually Impaired, Inc., presented testimony in support of the bill, citing personal experience with having been turned down for certain types of insurance coverage. (Att. 1.)

He said that any impact on insurance rates would be minimal, unless those with visual impairments are now being placed in a higher rate group. The main problem currently is being able to get the coverage, though he said it is not a significant problem. The national organization gave input as to the bill wording.

Mr. Ron Todd, gave testimony explaining the bill, which was promoted by the National Federation of the Blind and supported by the National Association of Insurance Commissioners. (Att. 2.)

He said there is not much abuse due to current law, but that this proposal is different in that it covers all types of insurance to make sure discrimination does not occur. He stated that it is good legislation and that he does not see any possible rate impact.

Hearing on: SB 177 - Product liability insurers; annual reporting requirement repealed

Staff explained that the bill would repeal two statutes relating to annual reporting by insurance companies of certain information relating to product liability insurance experience.

Mr. Mark Bennett, Sr., American Insurance Association, said the bill is requested to repeal a law passed in 1978, which did not attain the objectives desired. K.S.A 40-1132 and 40-1133 attain

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Insurance,
room 531-N, Statehouse, at 3:30 xx a.m./p.m. on March 19, 1987

those objectives. (Att. 3.)

The information reported deals with product liability claims; the repealer was struck in '83 to make sure none of the information was necessary.

Mr. Ron Todd verified that neither the Insurance Department nor anyone else uses the information that is sent in.

Mr. Glenn Cogswell, Alliance of American Insurers, expressed support for the bill and said it is expensive for the insurance companies to gather the information.

The meeting was adjourned at 4:10 p.m.

Kansas Association for the Blind and Visually Impaired, Inc.

March 19, 1987

TO: House Committee on Insurance

FROM: Michael J. Byington, Registered Kansas Lobbyist

SUBJECT: Senate Bill 105

I rise in support of Senate Bill 105. In the summer of 1985, an interim study committee looked at the issue of uninsurables. I testified before that committee and gave some examples of persons who were turned down for various types of insurance because of blindness or visual impairment. While the interim study committee involved did not directly author this bill, the Kansas Legislature has certainly had the opportunity over the past couple of sessions to focus on the issue of insurance needs of specific minority populations. This bill was thus introduced last session through a cooperative effort between the office of the Commissioner of Insurance and a number of consumer advocates. The bill went smoothly enough, but simply ran out of time. It has now been re-introduced. It is my sincere hope that this Committee will report it favorably with utmost haste so it can hopefully make it all the way through the lawmaking process this session.

I can speak from personal knowledge on this piece of legislation. My wife is totally blind and I am visually impaired. We include ourselves in the examples of those who have been turned down for certain types of insurance coverage. My mother is also blind.

I can remember as a child how upset my parents were when our family was turned down for medical coverage, or when companies offered to insure us but placed riders on the policy stating that any illness or injury which was vision related would not be covered. This seems to suggest that if a blind person and a sighted person fall down over the same curb thus sustaining the same injuries, the sighted person fell because he/she is clumsy while the blind person fell because he/she is blind. This of course is not necessarily the case, and it is not fair. Among the membership of our organization I have heard numerous examples of denied insurance coverage.

Before the interim committee, I was representing several organizations who have uninsurable memberships. The blind and visually impaired, however, have a rather unique case in as much as there is really no reason for the discrimination or uninsurable status. I have worked in rehabilitation for quite a number of years and have never seen conclusive proof that blind and visually impaired people live shorter lives or have more frequent hospitalizations. While a loss of vision may limit one's abilities to avoid certain hazardous situations, it usually also increases the chances that the person is not going to get

into the hazardous situations in the first place.

Even very active blind people do not go to the hospital on the average more than their sighted counterparts. I will give an example which I will grant is not scientific, but I think is nonetheless representative. My wife and I play beep baseball. Now this is a crazy type of baseball where all players are either blind or blindfolded except for the pitcher and catcher. The ball beeps and the bases buzz. The sport is as fast and rough as regular baseball. Now this would certainly seem to be a high risk activity, and in fact there is indeed some risk involved. I compared, however, our injury statistics over the past few seasons with those of some sighted city league softball teams, and I found we do not get injured with any greater frequency or severity than they do. In fact, in some cases, we were injured less.

This is a good bill. It allows a certain group of citizens to live and work more independently without fear of a certain type of discrimination. Please pass it favorably from Committee.

Senate Bill No. 105

Senate Bill No. 105 amends the unfair trade practices act by inserting provisions that would make it a defined unfair trade practice for an insurer to refuse to insure or refuse to continue to insure or limit the amount, extent or kind of coverage available to an individual or charging an individual a different rate for the coverage solely because of blindness or partial blindness. This provision was promoted and supported by the National Federation of the Blind and, through an agreement with the National Association of Insurance Commissioners, most states are attempting to obtain passage of the legislation.

BEFORE THE
HOUSE INSURANCE COMMITTEE

March 19, 1987

I represent the American Insurance Association.

In 1978 the legislature adopted what is now K.S.A. 40-1130 and 40-1131 relating to annual reports to the insurance commissioner by product liability insurers. At the time of the introduction of the bill, both the insurance industry and the insurance commissioner's office were of the view that the requirements would not attain the purpose for which they were intended. Later it developed that conclusion was correct and these statutes did not provide the desired information.

Thereafter and in 1983, a new bill relating to the same subject was enacted which now appears as K.S.A. 40-1132 and 40-1133. This law does attain the objectives desired by the first bill. At the time of the introduction of what is now K.S.A. 40-1132 and 40-1133, the bill contained a repealer of K.S.A. 40-1130 and 40-1131. That repealer was eliminated by the legislature prior to the enactment of K.S.A. 40-1132 and 40-1133.

Senate Bill 177, repealing K.S.A. 40-1130 and 40-1131, is for the purpose of eliminating the expense to the insurance companies and the insurance department for information that is not of any benefit to the department.

The American Insurance Association and the insurance industry respectfully request the committee pass out Senate Bill 177 with recommendation for passage.

Respectfully submitted,

AMERICAN INSURANCE ASSOCIATION


Mark L. Bennett