

MINUTES OF THE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairperson Senator Ruth Teichman at 9:30 a.m. on March 11, 2003 in Room 234-N of the Capitol.

All members were present except: Senator Feleciano, excused, Senator Adkins, excused

Committee staff present: Ken Wilke, Office of the Revisor of Statutes
Dr. Bill Wolff, Kansas Legislative Research Department
Marlene Putnam, Committee Secretary

Conferees appearing before the committee: Jeff Bottenberg, State farm Insurance
Jarrod Forbes, Kansas Insurance Department

Others attending: ~~See attached list~~

Senator Teichman called upon Dr. Bill Wolff to explain **HB 2071**. Dr. Wolfe explained that the bill concerns the issuance of insurance policies in a foreign language. He also explained that the English version of the contract remains the controlling version.

Senator Teichman introduced Jeff Bottenberg, State Farm Insurance. He spoke as a proponent to the bill. (See attachment 1)

Jarrod Forbes, Kansas Insurance Department spoke as a proponent for the bill. The Kansas Insurance Department feels this service is very important to a growing segment of the Kansas population and urges support of the bill (See attachment 2).

Senator Teichman called upon Bill Sneed of State Farm Insurance to further comment on the bill.

Discussion from the committee followed.

Hearing closed

Meeting adjourned

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Memorandum

TO: THE HONORABLE RUTH TEICHMAN, CHAIR
SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

FROM: WILLIAM W. SNEED, LEGISLATIVE COUNSEL
THE STATE FARM INSURANCE COMPANIES

RE: HOUSE BILL 2071

DATE: MARCH 11, 2003

Madame Chair, Members of the Committee: My name is Bill Sneed and I represent State Farm Insurance Companies ("State Farm"). We appreciate the opportunity to appear in support of House Bill 2071. We requested the introduction of HB 2071, a bill that allows insurers to deliver foreign language insurance policies and other materials to Kansas policyholders. House Bill 2071 passed the House 122-2.

State Farm is the largest insurer of homes and autos in the United States and in Kansas. State Farm insures one out of every five cars and one out of every four homes, in the United States. With the explosive growth of Kansans who speak other languages other than English within the home and consider such foreign language as their first language, my client has started a nationwide campaign to introduce similar proposals as found in HB 2071, in an effort to provide the insurance buying public additional avenues in providing information to the insured.

The reason for the bill introduction in Kansas as well as other states are as follows:

First, the general principle that unless specifically authorized by statute, insurance companies are severely limited as to what they can or cannot provide in the material that they present to their insureds;

Second, by allowing insurers to utilize a foreign language on a voluntary basis, the marketplace will be utilized as to how quickly and to what extent this type of material will be used in the insurance marketplace. Neither insurance companies nor state regulators are totally equipped for mandatory requirement of such foreign language policies. By leaving it voluntary, the industry and state regulators can move together in an effort to provide this information to the insuring public;

Third, creating a statutory basis for foreign language materials also provides an opportunity to statutorily provide protection for the consumers by making a knowing misrepresentation a violation of the Kansas Unfair Trade Practices Law.

Senate F I & I Committee

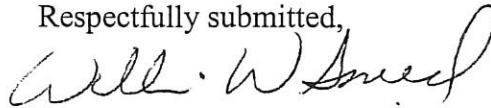
Meeting Date: 3-11-03

Attachment No.: 1

We believe HB 2071 provides an opportunity for Kansas to be a leader in this growing area of insurance law. It is in this fashion that we respectfully request that the Committee act favorably on HB 2071.

If you have any questions, please feel free to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William W. Sneed". The signature is fluid and cursive, with a large loop at the end of the last name.

William W. Sneed

WWS:pmk
Attachment

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Kansas Insurance Department

Sandy Praeger COMMISSIONER OF INSURANCE

TESTIMONY
ON
HB 2071

SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
March 11, 2003

Madam Chair and members of the Committee:

Thank you for allowing me to testify on behalf of the Kansas Insurance Department regarding HB 2071. This legislation allows insurance companies to provide informative documents in languages other than English. We at the department believe this will only further our objective of educating insurance consumers.

The Kansas Insurance Department welcomes this bill and commends the efforts of all insurers planning to implement this practice. We feel this service is very important to a growing segment of the Kansas population and urge your support of this bill.

With that madam Chair I would be happy to stand for questions.

Jarrod Forbes
Legislative Liaison

Senate FI & I Committee

Meeting Date: 3-11-03

Attachment No.: 2