KAIA

Kansas Association of Insurance Agents — *Independent Insurance Agent*

Testimony on SB 413
Before the House Commerce and Economic Development Committee
By Kerri Spielman
March 15, 2012

Thank you, Mister Chair and members of the committee, for the opportunity to offer testimony on SB 413. My name is Kerri Spielman and I represent the Kansas Association of Insurance Agents. KAIA has approximately 550 member agencies and branches throughout the state employing over 3.000 people. Our members write over 70% of commercial insurance in Kansas, including workers' compensation. Our members are independent, small business owners who are free to represent many different insurance companies..

The Kansas Association of Insurance Agents (KAIA) supports passage of a Professional Employer Organization (PEO) licensing and registration act. PEO's are currently doing business in the state, but they are not under the regulatory authority of any governmental body. Without governmental regulation, small businesses and employees are vulnerable to predatory business practices. A licensing and registration act would help protect small business owners.

PEO's offer a number of services to small business owners that help them run more efficiently while meeting all the regulatory requirements of local, state and federal governments. Frequently, health, work comp, EPLI (employment practices liability insurance), and other insurance products are part of the services that PEO's offer. For this reason, the KAIA strongly supports provisions in the bill on page 10 that require insurance to be obtained from an admitted carrier and that the PEO have or use a licensed person when dealing with insurance.

KAIA supports the bill as passed by the Senate. Representatives of NAPEO have graciously worked with us to address any concerns we had.

In summary, the KAIA supports a Professional Employer Organization licensing and registration bill for the purpose of protecting small businesses and would ask for you favorable consideration of the bill.

Thank you for the opportunity to testify today. I am available for questions.

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