



**Testimony on HB2717  
Before the House Tax Committee  
By Kerri Spielman  
February 29, 2012**

Thank you, Mr. Chair and Members of the committee, for the opportunity to offer written testimony on HB2717. 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 are independent, small business owners who are free to represent many different insurance companies. Because they are not a company employee, independent agents represent the consumer's interests, providing them with a choice and the ability to customize their insurance to fit their individual needs.

The Kansas Association of Insurance Agents (KAIA) offers this written testimony in support of HB 2717. The provisions in HB 2717 would benefit both individuals and businesses with regards to health insurance.

Health insurance is a very personal matter. Individuals should have the ability to manage their own health care. They should be able to choose their own doctor or hospital and not be forced to accept the insurance carrier's preselected "in-network" option.

Businesses are very limited in their options to provide health insurance to their employees; and tax incentives can add to that problem. Businesses can self-insure and they can purchase a traditional "one-size fits all" policy from a carrier – both of which usually force employees to utilize pre-selected providers that are "in the network" and both provide the employer with tax deductions.

Individuals who have individual policies sometimes choose to join the plan of the business that employs them simply because of the benefit of the employer contributing to the cost. The plan offered by the business may not be the best choice for that person, and it certainly isn't portable, but because the business is subsidizing it, individuals may switch if the cost to them is lower.

High deductible plans with HSA's and HRA's have become very popular as they allow more flexibility for individuals and businesses. Businesses can purchase high deductible plans that allow more choice for the individual employees. They can contribute to the HSA's and HRA's to offset the high deductible. Individual employees get the benefit of flexibility and choice in managing their health care.

HB 2717 would add one more incentive for businesses and individuals to use HRA's. Increased use of HRA's benefits the individual with choice, the business with healthier and happier employees, and the health care system with consumers who are engaging in their own health care choices.

Thank you, again, for the opportunity to offer this written testimony. We encourage the committee's favorable consideration of HB 2717.

