

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 on February 11, 2003 in Room 527-S of the Capitol.

All members were present.

Committee staff present: Bill Wolff, Legislative Research
Ken Wilke, Revisor of Statutes
Renaë Hansen, Secretary

Conferees appearing before the committee: **Representative Mario Goico**, Kansas House of Representatives, 100th District
Chief Jeff Hudson, Shawnee Kansas Fire Marshal, Kansas State Association of Fire Chiefs, & Johnson County Fire Chiefs Association
Bill Yanek, Director of Governmental relations, Kansas Association of Realtors,
Jeffery Bottenburg, Legislative counsel, State Farm Insurance Companies
Dan McLaughlin, State Fire Marshals office
Tom Sealy, representative of Cedar Shake and Shingle Bureau
Dallas Kalloway, Watkins Sawmills
Bill Sneed, Legislative council, The State Farm Insurance Companies
Amy Valenciano, Public affairs specialist, State Farm Insurance

Others attending: 21 total, some of whom signed the register.

Hearing on:

HB 2023- Restrictive covenants, wood shingles on roofs.

Proponents:

Representative Mario Goico, Kansas House of Representatives, 100th district, (Attachment #1), sponsor of the bill, explained why this bill was drafted, relaying a personal story.

Questions were posed by: Representatives Ray Cox, regarding state zoning of cities and Scott Schwab, regarding the wording of the bill.

Chief Jeff Hudson, Kansas State Association of Fire Chiefs, and Johnson County Fire Chiefs Association, (attachment #2), giving the residents of Kansas a choice about their safety, and the investments they have in

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their homes.

Questions were posed by: Representatives Ray Cox, regarding a city ordinance pertaining to this issue, and Nancy Kirk regarding the retro activeness of that said ordinance.

Bill Yanek, Director of Governmental relations, Kansas Association of Realtors, (attachment #3), believes the bill is positive, and agrees that it should be passed out favorably.

Jeffery Bottenburg, Legislative counsel, State Farm Insurance Companies, (attachment #4), in support of the bill, presented testimony that showed studies done on roof shingles and told of State Farms' insurance discount for home owners using roofing material other than shake shingles. Support giving homeowners the right to choice that best fit their aesthetic needs and their right to safety.

Questions were posed by: Representatives Ray Cox regarding other States and their passage of similar legislation, and Bob Grant regarding policy price difference for the home owners using alternative shingles.

Dan McGlaughlin, State Fire Marshals office, representing Karl McNorton, Director, Fire Prevention Division, (attachment #5), presented statistics of house fires with wood shingles in the state of Kansas from 1995-2002.

Written testimony (attachment #6) was presented by Jim Keating, President, Kansas State Firefighters Association, representing The Kansas Fire Service Alliance.

Representative Goico commented that the fiscal note showed that there would be no fiscal affect.

Opponents:

Tom Sealy, representative of Cedar Shake and Shingle Bureau, commented that there are treated shingles which do meet the four class requirements for fire retardant. In Texas, they are charged 30% more for having the shake shingles but receive a discount of 34% because the shake shingles create an impact resistance factor, thus netting a 4% decrease. They do meet a UL 790 testing and NFPA 256. Most of the deed restrictions they encounter in Kansas do allow for some other choice for shingles besides wood. In Texas, they have to allow choices, but can put restrictions and not allow certain kinds of shingles.

Dallas Kalloway, Watkins Sawmills, largest manufacturer of cedar shakes and shingles, commented that 97% of all fires start inside the house. If you see any news articles where people die, they die from toxic fumes, not from non-toxic wood, treated and untreated. People have the wood in their covenants because it is aesthetically pleasing. Properly fire treated shake shingles will not burn.

Questions and comments were posed by: Representatives Patricia Barbieri-Lightner, David Huff, and Bonnie Sharp.

The hearing on **HB 2023** was closed by Chair Barbieri-Lightner.

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Hearing on:

HB2071- Insurance policies; issuance in a foreign language.

Proponents:

Bill Sneed, Legislative Council, The State Farm Insurance Companies, (attachment #7), this is a bill that State Farm is pushing nationwide to set some specific guidelines regarding foreign language of Insurance Policies. This bill and the nationwide push would set down some similar guidelines nationally, for companies such as State Farm that conduct business throughout the nation. In addition, a balloon amendment was included in his testimony, deleting advertising material, including the word application, including explanatory materials on line 6, and adjusting language throughout the bill that corresponds to those changes.

Questions were posed by: Representatives Stephanie Sharp, Patricia Barbieri-Lightner, and Scott Schwab.

Amy Valenciano, Public affairs specialist, State Farm Insurance, (attachment #8), related statistics of the rate of growth nationally and statewide in the non English speaking households. This bill would allow companies to present insurance information to people in their language of origin with the English language taking precedence for the application of the contract. She urged committee members to pass the bill out of committee favorably.

Questions and comments were posed by: Representatives Stephanie Sharp, David Huff, Scott Schwab, Mario Goico, Joe Humerickhouse, and Bonnie Sharp.

No Opponents were present.

Chair Barbieri-Lightner closed the hearing on **HB2071**.

The committee entertained working **HB2023**, and **HB2071** but it was decided to wait until the language had been corrected before working them.

Meeting adjourned.

Next meeting scheduled for February 13, 2003, room 526-S, 3:30 p.m.

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