

TO: The Honorable Marvin Kleeb, Chair
House Commerce Committee

FROM: William W. Sneed, Legislative Counsel
The State Farm Insurance Companies

SUBJECT: H.B. 2024

DATE: February 12, 2013

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent the State Farm Insurance Companies ("State Farm"). State Farm is the largest insurer of homes and automobiles in Kansas. State Farm insures one out of every three cars and one out of every four homes in the United States.

At our request, the House Commerce Committee introduced what became H.B. 2024. That bill, commonly referred to as the "roofers bill," is intended to help curb some abuses in the state after terrible storm losses.

With me today is Ms. Kimberly Conroy, a fire claims manager with State Farm Insurance. Ms. Conroy will take this opportunity to give you real-life examples of what occurs out in the field and why we believe that H.B. 2024 is a prudent piece of legislation.

State Farm rarely takes a position on legislation that in any way creates new regulations on some outside industry. State Farm knows what regulation is like, as we are involved in one of the most regulated industries in the United States. However, sometimes facts arise for which the private marketplace is unable to find a reasonable solution, and as such we turn our attention to the policymakers for them to examine and to determine whether it is good public policy to formulate regulation.

With that background, we have had extensive discussions with the Kansas Roofers Association and the Attorney General's office. Because of the onslaught of storm chasers, many of whom are fly-by-night individuals who pose as skilled contractors, we believe that the Legislature must take some steps to prohibit this ongoing problem.

Perhaps one question you might have is why State Farm cares. We care because the ultimate person left holding the bag is our customer, who unfortunately gets involved with these unscrupulous individuals, and when the day is done, he or she is the one left to sort out the mess. There is really nothing we can do to help our customer at that point.

This legislation, we believe, is a moderate, small step in attempting to address this problem. It will provide the Attorney General the means to monitor the situation and determine whether the Legislature should consider even more affirmative restrictions.

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The Honorable Marvin Kleeb, Chair
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February 12, 2013
Page 2

We think it is important to note that the Kansas Roofers Association, whose members will be subject to this proposal, has endorsed the matter and urged the passage of H.B. 2024.

Finally, the Attorney General's office will be submitting several technical and clarifying amendments. We have reviewed and discussed these amendments with the Attorney General and support them being placed in the bill.

With the Committee's indulgence, I would now like to turn this over to Ms. Conroy and allow her an opportunity to speak to the Committee. I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed

WWS:kjb