To: Chairman House Insurance Committee

From: David J. Powell, CLU, ChFC, CFP, RHU

Re: SB 163

Thank you for the opportunity to testify in SUPPORT of this bill.

As the author I want to add to the PROPONENT testimony urging this committee to pass this legislation.

Kansas consumers need options for themselves, their families and their businesses. I write health insurance with several major insurance companies doing business in Kansas who are anxious to submit "Mandate Lite" major medical plans with their **menu** of benefit choices to the Kansas Insurance Department for approval. If PPACA comes to Kansas through the federally run Exchanges, these plans would be marketed outside of those Exchanges as "non-qualified" major medical insurance policies.

This means that these policies WILL NOT meet the requirements of PPACA. It does not mean they will not meet the requirements of our Kansas consumers! Quite to the contrary. These plans will allow Kansas consumers to design plans that fit THEIR NEEDS, not the needs of some bureaucrat in Washington or even one here in Topeka. And they will be able to pay a premium far less than those projected for the "qualified" plans to be sold inside or outside of the Federal Exchanges.

Both the IRS in a recent state and the OMB are estimating the costs of "qualified" plans at between $16,000 and $20,000 for an average family by 2016. Even subsidies, if they are available, will not be enough to help many in Kansas.

Insurance companies are still free to market qualified products in or out of the Exchanges, but I firmly believe price and choices will drive the purchasing public in their selection. They will purchase these plans in large numbers.

I strongly believe many businesses currently purchasing self-funded ERISA plans will see these plans as an opportunity to go back to fully insured policies, dramatically increasing the number of insurance plans under Kansas insurance regulations. AND, by the way, increase the amount of premium taxes making their way to the **State General Funds!**

I there is other testimony from at least one Kansas based health insurance marketer that concurs with me.

Having these policies available in Kansas will also help our economy in many ways.
1. Reduced premiums will free up dollars that can be spent in other areas.
2. Reduced premiums to businesses will free up dollars to hire new employees.
3. Availability of these plans will help attract new businesses to Kansas.
4. These plans will help attract individuals and families to live in Kansas.

5. Insurance companies writing more premiums IN Kansas will add to the revenues in the General fund through the increased revenue generate by the 2% premium tax that is transferred to the General fund by the Insurance Department each year.
6. Once purchasing health insurance across state lines becomes common, both individuals and businesses will purchase their insurance in Kansas, adding even more to the dollars noted in #5.
7. This legislation will bring more certainty to the market place and provide Kansans with a safety net of sound coverage, taking Health Insurance back to catastrophic coverage with additional benefits added to meet the purchaser's needs.
8. Potentially reduce the number of people on the Kansas Medicaid rolls.

As you have heard and will hear, these plans also will allow the insurance companies, consumers and even the medical practitioners to work for the benefits of our citizens.

When those who can't afford policies do without, we all loose. These plans would put the pricing within the reach of almost every consumer in Kansas. I firmly believe these plans could help reduce the numbers currently seeking Medicaid help due to insurance costs. That in itself would benefit Kansas taxpayers.

Please vote to pass this bill and send it on to the House floor for full consideration.

Thank you,

David J. Powell, CLU, ChFC, CFP, RHU
President
DAVID J POWELL & ASSOCIATES, LLC

NOTE: ADDITIONAL TESTIMONY AND CONSIDERATIONS ATTACHED.
1. Justification for SB 163
2. Logic behind the SB 163