KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

March 12, 2014

SB 55

Before the House Financial Institutions Committee

Written Testimony by Marlee Carpenter, Kansas Association of Property and Casualty Insurance Companies (KAPCIC)

Mr. Chair and Members of the Committee;

Thank you for the opportunity to testify on behalf of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC), our state trade association for domestic property and casualty insurance companies.

KAPCIC members do not oppose the increase on the cap for consulting fees proposed in SB 55. Many of the KAPCIC members are small, domestic companies that fall below the $200 million gross premium level proposed in SB 55. However, if a small company files a consolidated report with the Kansas Insurance Department, the company's gross premiums may rise above the $200 million level and that small company may be subject to the higher consulting fee cap. We would respectfully ask for an amendment to increase the $200 million gross premium level to $300 million in gross premiums.

There is already precedent in Kansas law for a $300 million small company level. The Kansas Insurance Holding Company law was enacted with a $300 million exemption for small carriers so that they do not have to file annual enterprise risk reports, KSA 44-3305(l).

KAPCIC requests that the proposed $200 million gross premium threshold be increased to $300 million in gross premiums. I have attached the language to my testimony.

Thank you for your time and please contact me if you have any questions.