

# KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

March 24, 2017

## **HB 2389**

### **Testimony Before the House Federal and State Affairs Committee**

#### **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. Most of the KAPCIC member companies are domiciled Kansas companies and our members live and work here in the state.

KAPCIC is here as a neutral party with some concerns to language in HB 2389. KAPCIC believes that additional and more substantial regulations should be enacted in regards to amusement rides in the State of Kansas and we support those changes in HB 2389. However, we have concerns with provisions in the bill that places the liability of the inspection on insurance companies.

- The strong inspection language included in the bill could make the insurer liable if, after an accident, the inspector or the process is deemed ineffective. Insurance companies are not in the inspection business but in the business to provide insurance to their customers. We may inspect a property for insurance purposes, but not for safety purposes. We believe that there are other entities or the state government that can better provide these inspections. If these inspections are required to be done by an insurance company, we request that hold harmless language be included to hold the insurer harmless while they provide coverage for the owner/operator.
- The bill also encompasses operations/risks not intended by the bill. Small recreational operations on farms sometimes referred to as “agri-tainment” could be included in this measure. This could include a corn maze, a small merry-go-round or a bounce house. Many times, the insurance company is not aware that these items are on an insureds property until a claim occurs. We would ask that a carve out or minimum dollar amount be inserted in the bill for small market or farm operations.

Thank you for your time and I am happy to answer any questions.