

From the Desk of:

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Opposition Testimony to passage of SB 402

Thank you Chairman Vickrey for allowing me to provide testimony regarding SB 402.

In the strongest words possible, **I oppose passage of SB 402** – in its current form.

SB 402 is not a simple bill that just makes a couple changes to insurance law – as evidenced by the 10-page supplemental note. Most supplemental notes are 2-4 pages.

Although I am not at all a fan of SB 402, I can deal with most of it. However, there is absolutely **zero need for Section 2.**

Section 2 places a new \$4.00 “*application renewal fee*” and **doubles the number of continuing education credits (hours), or CECs, single-line agents must complete** in order to renew their agent’s license. A single-line agent is a person who is licensed as either life, accident and health (L&H) or property and casualty (P&C) – but not both.

It is widely known that few Kansans track legislation being considered by the Legislature; they generally learn months later a new law has passed and how it will affect their lives. That almost happened to me with SB 402. Had I been on my toes, I would have seen SB 402 sooner and appeared before the Senate Financial Institutions and Insurance Committee.

The portion I most strongly oppose is in Section 2(c)(1)(B) – page 5, lines 29-36 – specifically line 33. It looks like a minor change; simply cross-out a 12 and replace it with a 24. However, the change would have a **significant negative impact** on single-line agents. As noted in the Supplemental Note, “*Under current law, licensed agents holding only a property and casualty (P&C) or life, accident, and health (L&H) qualification are required to obtain biennially a minimum of 12 continuing education credits (CECs) ..... On and after January 1, 2022, the bill would increase the minimum CEC requirement for agents holding only 1 certification from 12 to 24 CECs biennially.*”

I realize a person who has never been a licensed insurance agent/producer has not had the “privilege” of taking insurance CECs. What is it like to obtain the CECs required by law? I’m glad you asked! For agents like me, it means take a couple days away from making sales calls and servicing policyholders (earning income), travel to a place where CECs are being provided (spend money), pay for a motel room (spend more money), pay the CEC provider a fee (spend even more money), stay awake for a minimum of 50 minutes per hour as a person talks about something (generally learning nothing) and be handed a certificate of completion. There is no written or oral exam, no benefit to agents or the insurance buying public and it reduces an agent’s taxable income. But, hey, the agent put in their time and was “educated”. Once upon a time (some 35 years ago), someone, somewhere apparently thought CECs was a good idea.

Admittedly, CECs can be secured online at a lower cost. Online allows for dishonesty – an agent can pay a teenager \$8.00 an hour to sit in front of a computer and enter a number or click a button (when asked) to acknowledge that “the agent” is still participating in the CECs.

Thank you – I’ll answer any question at any time.