

The Bremen Farmers' Mutual

Insurance Company



Since 1888

March 7, 2019

The Honorable Fred Patton
Chairman, House Judiciary Committee
Room 519-N, State Capitol Building
300 SW 10th Ave.
Topeka, Kansas 66612

Dear Chairman Patton:

Re: Support of SB 78

Bremen Farmers Mutual Insurance Company is a Kansas domiciled property and casualty insurance company located in Bremen, KS. We serve nearly 25,000 insurance policyholders across the state of Kansas. We are also members of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC).

I am writing in support of SB 78 which would implement much needed guidelines regarding the use of contracts where a policyholder assigns the rights of their insurance claim to a 3rd party. This is more commonly known as "Assignment of Benefits" (AOB) contracts.

When used properly, an AOB contract can be useful and beneficial to an insurance consumer. However, as you may know, when used by dishonest contractors in a way that it was not intended, the instrument can be detrimental to consumers and to the insurance industry as a whole by driving up insurance costs. This has been the case in other states that do not have limitations on the use of the AOB contract.

I feel the limitations that are being proposed by SB 78, while still allowing an AOB contract to be used where suitable, severely limit the ability for dishonest 3rd parties to use the contract improperly.

I appreciate your attention to this matter. If you have any questions or comments regarding it, please contact me or our KAPCIC representative, Marlee Carpenter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'C. Holle'.

Curtis J. Holle, President
Bremen Farmers' Mutual Ins. Co.