

KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

February 17, 2021

HB 2242

Testimony Before the House Insurance 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 provide written testimony 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 to oppose HB 2242, a bill to increase the State Fire Marshal's assessment on fire insurance premiums from 0.8% to 1%. This bill, as proposed, is a 20% increase to the fire insurance premium assessment and will raise an additional \$1.69 million for the state fire marshal's budget. This tax increase will be passed along to individuals and businesses that obtain insurance policies.

For KAPCIC companies, who are mainly domestic Kansas companies, this increase will have retaliatory tax implications. This bill will not only make other states wealthier, but it makes the policies of Kansas domestics more costly than their competitors that are domiciled in other states. This bill is a tax increase and will harm Kansas domestic companies.

KAPCIC opposes this tax increase on Kansans the retaliatory tax implication that it may create for domestic companies. We urge your careful consideration of HB 2242.

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