

February 15, 2017

TO: Kansas Senate Financial Institutions and Insurance Committee

FROM: Sheila A Ohrenberg – Board Member of the Kansas City Chapter of the American Subcontractors Association and President of Sorella Group Inc. Lenexa Based Carpentry Contractor

RE: Senate Bill 91 – Contractor Controlled Insurance Programs Deductible

DATE: Tuesday, February 15, 2017 at 9:30 a.m.

My name is Sheila A Ohrenberg. I am the President of Sorella Group Inc, a commercial carpentry construction company based in Lenexa, Kansas. I am a Board Member of the American Subcontractors Association, Greater Kansas City Chapter. Our membership spans throughout the state of Kansas, consists of subcontractors, suppliers, and construction industry professionals.

I am here today **in opposition of the SB 91** raising the deductible from \$2,500 to \$25,000 per occurrence or claim. The purpose of the Prime contractor and/or owner to provide a controlled insurance program is to save money, make safety a priority and to include smaller and minority firms in projects. Typically, a subcontractor does not have a choice to participate or not in the Owner Controlled or Contractor Controlled Insurance program. The only option is to not provide services to specific contractors and projects.

A recent survey of subcontractor's deductible for their own insurance is between \$500 to \$5000. By changing this amount, we would be forcing small businesses to participate in a program that adds unnecessary risk to the subcontractors while the sponsor saves additional money. Ultimately, there will not be a savings as the subcontractors will be forced to adjust overhead expense to cover the cost of the potential deductible payments. **Please vote no on SB 91.**

Thank you for your time.

Sheila A Ohrenberg

President