

Date: March 6, 2018

To: Senate Financial Institutions and Insurance Committee

From: Eric B. Smith, Deputy General Counsel

Re: Support of HB 2469

I want to thank Chairman Longbine and the Committee members for allowing the League of Kansas Municipalities, on behalf of our member cities, to provide testimony in support of HB 2469.

HB 2469 is the result of many meetings and conversations between local government organizations and insurance industry representatives. The industry representatives expressed concerns over potential delays in establishing temporary claims offices in a city following a catastrophic event due to local occupational licensing regulations. The League agrees that following a major event, such as a tornado or flood, it is a benefit to residents for an insurance company to provide help to their customers as promptly as possible. It is also the responsibility of city governments to provide for the health and safety of their citizens.

The stakeholders worked together to create a system where an insurance company can be responsive to its policy holders while cities can still protect the health and safety of their citizens. This bill establishes notice requirements as well as clearly defining the time limits where local licensing regulations would not apply.

The bill is narrowly defined to insurance companies claims operations at a time of catastrophic loss in a city. The League would object to any expansion of this process to contractors or repair operations.

The League, on behalf of our member cities, requests the committee move HB 2469 out favorably to the full Senate.