

KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

January 31, 2024

SB 356

Testimony Before the Senate FI&I Committee

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 supports SB 356 and appreciates the ability to work with the Kansas Department of Insurance (KID) on this issue. Kansas domiciled insurance companies rely on KID exams conduct quality exams in Kansas as do other states where these companies conduct business. The cost of financial exams has increased substantially over the last few years for both the KID and the Kansas domiciled insurance companies.

Current law allows KID to request reimbursement for charges incurred for work done within the KID as well as charges incurred from outsourced work. The current cap only applies to work outsourced, but there is no cap on KID incurred charges. Currently, there is also no cap on the combine KID and outsourced charges. Some companies receive a bill from both the KID incurred work as well as a bill for the maximum amount of the cap, depending on company size, for outsourced charges. The current cap is not reflective of the total cost of the exam.

Kansas domiciled companies want the ability to budget and plan for the cost of the financial examinations. We advocate for a single cap, regardless of the entity that does the work, so that companies have the ability to budget for these costs. KAPCIC also supports the enactment of the multiple cap levels laid out in the bill. We believe that even though the caps are increased, they are more reflected of the total exam costs and companies can more easily budget for these required exams.

We appreciate your consideration and support of SB 356.