

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 on March 13, 2003 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Bill Wolff, Legislative Research
Ken Wilke, Revisor of Statutes
Renaë Hansen, Secretary

Conferees appearing before the committee: **Sandy Praeger**, Kansas Insurance Commissioner
Jerry Wells, Kansas Insurance Commission
Richard Wilborn, Vice President of Government Affairs,
Farmers Alliance
Evan McKee, Product Manager, Progressive Companies
Birney Birnbaum, Economist

Others attending: 28 total including some who signed the attached register.

Hearing on:

Sub SB 144- Enacting the Kansas Insurance Score Act.

Proponents:

Sandy Praeger, Kansas Insurance Commissioner, (Attachment #1), presented testimony that told how credit scoring benefits the consumer and in fact lowers the cost of insurance. This bill would allow the Insurance Department to regulate and control the way that insurance companies use credit scores.

Questions were posed by: Representatives Eber Phelps, Cindy Neighbor, Ray Cox, Bob Grant, Scott Schwab, and Nancy Kirk.

Jerry Wells, Kansas Insurance Commission, (Attachment #2), presented a clear and concise explanation of the bill with some side notes that help to simplify what the bill does.

Questions were asked by: Representatives Mary Kauffman, Scott Schwab, and Nancy Kirk.

Richard Wilborn, Vice President of Government Affairs, Farmers Alliance, (Attachment #3), presented testimony that told of Farmers Alliance reluctantly agreeing to the changes that have been made to the original bill that is in fact a watered down version of the wording patterned after that of the NCOIL. It was respectfully asked that an amendment to the wording be considered changing farm owner to one word, farmowner.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE at 3:30 p.m. on March 13, 2003 in Room 527-S of the Capitol.

Questions were posed by: Chair Patricia Barbieri-Lightner.

Evan McKee, Product Manager, Progressive Companies, (Attachment #4), presented testimony in favor of the bill with noted recommendations for amendments to improve the wording of the bill.

Questions were posed by: Representatives Stephanie Sharp, Ray Cox, and Nancy Kirk.

Written testimony by Jim Harwood, Executive Director, Farmers Insurance was submitted to the committee by Lee Wright, (Attachment #5).

Opponents:

Birney Birnbaum, Economist, (Attachment #6), presented an in-depth study of how and why insurance credit scoring is not good for the consumer. Furthermore, his testimony presented many facts that refuted the industries arguments as to why credit scoring is in-fact a good system for evaluating risk of insuring consumers. Also, included in his testimony were ways to improve **Sub SB 144**.

Questions were posed by: Representatives Ray Cox, Eber Phelps, Bob Grant, Nancy Kirk, and Scott Schwab.

Hearing to continue on March 18, 2003.

Meeting adjourned.

Next meeting March 18, 2003.