



TO: House Committee on Insurance
Rep. Jene Vickrey, Chairman

FROM: Kansas Association of Professional Insurance Agents Inc. (PIA)
Bob R. Shields, CPIA- PIA Legislative Chair

RE: WRITTEN ONLY-Neutral Testimony SB 32

DATE: March 6, 2019

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Chairman Vickrey and Members of the House Insurance Committee:

The Kansas Association of Professional Insurance Agents (PIA) appreciates the opportunity to submit neutral written testimony regarding SB 32 which would amend the Insurance Code to add an entity to the list of those entities providing healthcare benefit coverage that are not subject to the jurisdiction of the Commissioner of Insurance.

As you know, the Kansas PIA is an affiliate of the National Association of Professional Insurance Agents (PIA National). Kansas PIA is dedicated to delivering exceptional and individual service to Kansas' small and mid-sized agencies and related companies serving the insurance industry. Our members pride themselves on being local agents serving Main Street America.

The PIA has been a long-standing supporter of the existing system of State based insurance regulation. Accordingly, adding an entity to the list of entities within the Insurance Code that would not be subject to the jurisdiction of the Insurance Commissioner would always be the type of policy change in which the PIA would strongly encourage state policymakers to exercise extreme caution on before passing. The potential for SB 32 to be a stepping stone to deregulating the entire Kansas health insurance market which can push our state closer to federal intervention and control of the insurance industry of paramount concern and consideration.

As an Agents Association, we are uniquely qualified to express concern over the potential dangers for licensed agents selling unlicensed products; the lack of regulatory oversight of what agents say to health benefit plan applicants; the potential pressure to "cherry-pick" existing Association

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Health Plan or Employer group clients for such a new health benefit scheme; privacy considerations with respect to HIPPA information agents would be collecting; and exposure to an agent's business if E&O coverage excludes sales of unlicensed products.

The PIA recognizes that rising health insurance costs are greatly stressing families and communities across Kansas. However, as lawmakers undertake efforts to alleviate such stress, due consideration should be given to avoid destabilizing the individual health care market, as well as small and large group markets. We are aware that other states are actively considering and implementing innovative approaches to addressing these sorts of health care policy concerns. We would hope lawmakers would be open to looking at what other states are doing as you deliberate SB 32.

The PIA is very sympathetic to the goal of making health insurance more affordable and accessible. However, we believe the issues and concerns we raise should be considered as this committee reviews and takes potential action on SB 32.

Thank you again for the opportunity to provide written neutral testimony.