



Written testimony in support of HB 2107

By William A. Larson
Kansas Association of Insurance Agents

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Mr. Chairman and members of the committee,

Thank you for the opportunity to submit written testimony in support of HB 2107.

KAIA represents more than 550 independent insurance agencies in Kansas. Together, our member agencies employ more than 3,000 licensed agents in local communities throughout our state.

KAIA supports HB 2107 as amended in the House. We believe the bill is simply recognition of the way business is conducted in the electronic age. It allows, but does not require, an insurance company to send electronic notices and documents to any insureds that consent to receive notices and documents electronically. It does not require any insureds to accept electronic notices unless they consent.

KAIA requested one amendment to the bill that was added in the House. Sec. 4(l) of the bill on page 4 lines 21-23 provides:

“This section shall not affect any obligation of the insurer to provide notice to any person other than the insured of any notice provided to the insured.”

The purpose of this amendment is to ensure that nothing in the act would be construed to affect any right of a third party such as an insurance agent or mortgage holder to receive notice from the insurance company that the company has sent a notice, particularly a notice of cancellation, to the insured either electronically or otherwise. The right of third parties to receive such notice could arise by separate contract between, for example, the insurance agent and the insurance company or under the provisions of the policy, for example, where the policy provides the insurance company must notify the mortgage holder in the event coverage is cancelled on the real property on which the mortgage holder holds a mortgage. We believe the amendment adequately protects the rights of such third parties and the bill as amended serves the interest of insurance companies and insureds alike.