

**HOUSE INSURANCE COMMITTEE**

Hearing on Senate Bill 273

March 7, 2012

Testimony presented by:

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Topeka, Kansas

On behalf of Security Benefit Life Insurance Company (SBL), I want to thank you for the opportunity to present testimony on SB 273. SBL has been doing business in Kansas for 120 years. Our company currently does business in all 50 states (in New York as a reinsurer). We understand the importance of the financial examination process in maintaining a safe and sound life insurance industry in this state and across the country. As you know, the financial examinations performed by the Kansas Insurance Department are shared with the other insurance departments where our company does business. This cooperation by the states prevents us from being subject to 50 separate financial examinations. As you can expect, this domestic controlled examination process is much more cost effective for companies doing business in a number of states.

SBL agrees with the Kansas Insurance Department that the statutory cap of \$25,000 for expenses associated with the financial examination is too low to actually cover the expenses of an examination. It has been a number of years since the state raised this cap. Our concern is that if the Kansas Insurance Department is not allowed to conduct a full and thorough examination, and other states do not feel comfortable with their audit, we could find ourselves being audited many times over by each state, costing us a significant amount of time and money. Therefore, SBL supports the revised caps set forth in Senate Bill 273.

On behalf of SBL, I request your support for Senate Bill 273 as amended. I would be glad to respond to questions. Thank you.