



KANSAS  
INSURANCE  
DEPARTMENT

*Vicki Schmidt, Commissioner*

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**Neutral Testimony SB 323 – Altered Terms Bill**

February 19, 2020

Chairman Olson and Members of the Committee,

Thank you for the opportunity to submit neutral testimony on SB 323. Current law found in K.S.A. 40-276a(a) and K.S.A. 40-277 provides consumer protections as it relates to cancellations and renewals of policies. These protections only allow for nonrenewal under certain enumerated circumstances.

The department's concern with SB 323 is the word "changes" is not defined and could lead to insurers reducing or eliminating coverage without consent of the policyholder, thus eroding the renewal protections offered in current law. In discussing this bill with the proponents, we understand the stated intent is for any renewal that comes with amendments to the contract to be similar coverage. However, our concern is that while the proponents of this bill may not seek to use this language in a manner not consistent with the stated objective, SB 323 effectively eliminates the consumer protections found in the above referenced statutes.

The department believes without a definition of what constitutes a change, along with proper notice to and consent from the consumer, that SB 323 could be used to make materially significant changes to the policy without consumer consent.

Thank you for the opportunity to submit neutral testimony and I can take questions at the appropriate time.

Thank you,

Lee Modesitt  
Director of Government Affairs & Communications