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WRITTEN ONLY

March 9, 2022

The Honorable Steven Johnson
House Committee on Insurance and Pensions
Statehouse, Room 276-W
Topeka, Kansas 66612

Re: American Family Insurance's support of SB 448

Dear Mr. Chairman and Members of the Committee:

American Family Insurance is the second-largest writer of automobile and homeowners insurance in the state. We offer insurance products through some 170 appointed producers who reside throughout the state.

We support Senate Bill 448. The legislation modernizes the state's anti-rebating law. It permits insurance producers and companies to offer value-added services and products to customers if the service or product relates to the insurance coverage provided and meets the criteria set forth in the legislation. The bill is based on a model act adopted by the National Association of Insurance Commissioners.

Most states adopted anti-rebating laws over 100 years ago because the use of rebates threatened the solvency of life insurance companies. Today's regulators have sophisticated tools to assess insurer solvency and the anti-rebating laws are no longer necessary to prevent insolvencies. While not intended, the state's current anti-rebating law makes it more difficult for insurers to offer value-added services and products to their customers.

Senate Bill 448 will promote innovation in connection with offering value-added products and services while maintaining strong consumer protections. We urge you to support Senate Bill 448.

Sincerely,

David Monaghan