



Kansas Insurance Department

Sandy Praeger

COMMISSIONER OF INSURANCE

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PRAEGER ANNOUNCES PROPOSED LEGISLATION

Consumer Protection Provisions Top Insurance Commissioner's Recommendations

Kansas Insurance Commissioner Sandy Praeger is asking Kansas lawmakers to approve two major consumer protection measures as part of her 2004 legislative agenda package. One proposal would prohibit insurance companies from canceling a homeowner's policy due to a single catastrophic claim. "Kansans who buy insurance should not have to worry about having their coverage dropped if they are unlucky enough to be hit by a tornado or hail," said Commissioner Praeger. "That's precisely the reason we buy insurance." ([See SB 339](#))

Another proposal would protect consumers from being charged higher premiums for simply making an inquiry about their coverage. Currently, some insurance companies mandate that when consumers call their agents with a question, that inquiry be then placed as a claim in property claims databases, such as the Comprehensive Loss Underwriting Exchange system (or C.L.U.E. report). "Consumers should not be punished when they don't file a claim or even have damage," said Praeger. "We should be able to ask straightforward questions about our coverage or deductible without being penalized." ([See SB 347](#))

"These initiatives are based on input from consumers and agents and are policy changes that will benefit all Kansans," said Praeger. "We look forward to working with the legislature to implement these proposals into Kansas law."

The Kansas Insurance Department will also begin having educational discussions with legislators about the Interstate Insurance Product Regulation Compact. The National Association of Insurance Commissioners has been working to create a national, state-based system of insurance regulation that would provide for uniform standards and a single point of filing for several lines of insurance. The NAIC's proposed interstate compact will have the flexibility to include life insurance, annuities, disability income and possibly long-term care products. "We want to start a dialog with legislators to ensure this type of compact will strengthen the competitive marketplace in Kansas," said Praeger. ([See HCR 5027](#))

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