



KANSAS BANKERS ASSOCIATION

Date: January 29, 2025

To: Senate Committee on Assessment and Taxation
Senator Caryn Tyson, Chair

From: Alex Orel, Senior Vice President Government Relations,
Kansas Bankers Association

Re: Verbal Proponent Testimony for SB 25

Madam Chair and committee members, I am Alex Orel appearing on behalf of the Kansas Bankers Association (KBA). It is also my pleasure to introduce Kelly VanZwoll, Vice President – Government Relations & Staff Attorney and J.W. Wells, KBA's Ag Bankers Division Coordinator & Government Relations Assistant. We look forward to being a resource for you and the committee as you consider financial service issues in the coming weeks and months. Thank you for the opportunity to testify today in support of SB 25.

Kansas Bankers Association Background Information:

The KBA, founded in 1887, is a voluntary, non-profit trade association governed by its membership. The KBA is headquartered in Topeka, Kansas, and is led by our 24-member board of directors. The KBA staff, which President/CEO Doug Wareham leads, includes 42 professionals, including 15 attorneys licensed in 5 states, that provide services to Kansas bankers ranging from legislative advocacy to educational training to insurance services to legal and regulatory compliance support. Our mission statement is:

"The Kansas Bankers Association strengthens and supports the Kansas banking industry by advocating for sound financial policies, promoting innovation, and fostering economic growth across the state to ensure a vibrant financial future for all Kansans."

KBA's membership includes 98% of the headquartered banks in Kansas. Our membership also includes 20 out-of-state commercial banks operating in Kansas. Our member banks employ more than 21,000 Kansans that provide financial services in every county across the state. While our member banks range in assets from the smallest in our state to the largest in our state, each member bank that belongs to the KBA has one vote on policy positions adopted by either our general membership or our Board of Directors. One member, one vote

SB 25—Proponent Testimony

The proposed bill would allow individuals and corporations to open Insurance Savings Accounts with financial institutions to help cover the costs of property and casualty insurance. These accounts are set up under the same structure as the First Time Home Buyers Savings Account and the Adoption Savings Account, passed by the Legislature in 2021 and 2024. They would be income tax exempt and are restricted to paying premiums and deductibles for property and casualty insurance. The accounts also have a maximum annual contribution amount of \$6,000 for individuals, \$12,000 for married joint filers, and \$25,000 for corporations.

The Kansas Bankers Association (KBA) has consistently supported financial initiatives aimed at encouraging financial planning and addressing the needs of individuals and businesses statewide. We firmly believe that facilitating and incentivizing Kansans to save for insurance expenses represents another invaluable tool in our collective efforts to overcome challenges and barriers in insurance and financial planning.

As an industry with a presence in every county throughout Kansas, we are eager to actively engage in this endeavor alongside our customers. By providing accessible financial solutions tailored to the unique needs of families and businesses, we can play a pivotal role in supporting their financial planning.

We sincerely appreciate your time and attention to this matter. As the Committee deliberates on SB 25, we respectfully urge favorable consideration for its passage. Thank you for the opportunity to provide proponent testimony and if you have questions or require additional information later, please get in touch with me at aorel@ksbankers.com or (785) 232-3444.