



Property Casualty Insurers  
Association of America

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Written Comments to the Special Committee on Insurance  
In Opposition to 2015 HB 2067  
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I am Larrie Ann Brown, Legislative Counsel for The Property Casualty Insurers Association of America (PCI). PCI is a trade association consisting of nearly 1,000 insurers of all sizes and types. It's member companies represent 35 percent of the total general insurance business and 42 percent of the total personal auto business in the nation. In Kansas, PCI members represent 47 percent of the personal auto market. PCI appreciates the opportunity to provide written comments in opposition to 2015 HB 2067.

Kansas currently has a motor vehicle Financial Responsibility (F.R.) law that requires an owner of a motor vehicle to have full liability insurance coverage. The basic F.R. limits in KS are \$25,000/\$50,000/\$10,000 which provide minimum coverage up to \$50,000 for all persons injured in an accident, subject to a limit of \$25,000 for one individual and \$10,000 coverage for property damage.

HB 2067 would raise the financial responsibility minimums for drivers in Kansas to \$50,000/\$75,000/\$35,000. A proposed bodily injury limit of \$50,000/\$75,000 means that Kansas would have the third highest injury limits per accident in the country, after two very different states- Alaska and Maine. The bodily injury (BI) cap for injury in most other states is \$25,000 or lower. Kansas limits are now in line with most states and should remain as such.

Raising the F.R. limits is not needed to cover the cost of injuries in today's health care market since the cost of auto injury claims in Kansas is generally lower than the current BI F.R. limits. Based on 2012 claims compiled by the Insurance Research Council PCI estimates that the average BI payment for 9 out of 10 injury claims in this state was only about \$13,400. Raising the per-person F.R. limits to \$50,000 would mean superfluous coverage at a higher cost for drivers with minimum limits.

In addition, the average property damage (P.D) liability claim cost in Kansas is less than \$3,200 per insured vehicle, the current \$10,000 F.R. limit per accident is more than sufficient to cover this amount. There clearly is no need to raise the PD F.R limit to \$35,000.

Many drivers in Kansas may not be able to afford anything other than the current basic F.R. limits and many do not need additional liability coverage. Excess liability protection simply adds costs to the insurance system and to consumers and therefore may lead to more drivers with no insurance. Those who want to have greater protection are certainly free to purchase higher limits, but why encourage more uninsured by raising the affordability of the policies?

We thank you for the opportunity to comment and PCI respectfully requests you oppose 2015 HB 2067.