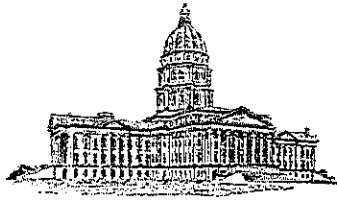


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Bill Sutton
Representative, 43rd District

COMMITTEE ASSIGNMENTS:
CHAIRMAN: GENERAL GOVERNMENT
BUDGET
APPROPRIATIONS
EDUCATION

Dear Chairman Proehl and Members of Transportation Committee:

HB 2482 allows insurance companies to take airbag replacement costs out of their total loss calculation. The change may reduce the number of cars totaled in Kansas.

This is good for consumers, good for shops and good for insurance companies. By removing airbags from the estimate, a lot more repairable cars will fall below the salvage threshold, and they'll get fixed instead of going through the recycling process.

Without this law, any car with damage exceeding 75 percent of its value to repair had to get a salvage title. The salvage title made it difficult to resell such vehicles, even if they were repaired. As a result, insurance companies would classify those vehicles as a total loss and pay customers for vehicle replacement.

With this change, insurance companies can decide that airbags are not part of the repair estimate, which enables repairs even if the total cost exceeds 75 percent of the vehicle's value.

An example would be a 2004 Toyota that's in a fender bender, where the airbags deployed. The car is worth about \$10,000 and the repairs would be about \$8,000 if you include the airbags. Under the old law the car would be totaled, but under the new law you could repair that car and return it to the customer because you exclude airbags and don't have to get a salvage title.

This gives customers and insurance companies more options, including allowing insurance companies to still get salvage titles. A lot of customers want to keep their cars and it can be less expensive for the insurance company to pay for replacement instead of totaling the car. It gives owners more control if they don't want to total the vehicle and if the insurance company agrees that it's worth repairing. People who have a favorite car and want to keep it, with this law they know they can have it back mechanically sound and safe.

A similar law was passed in Missouri in 2004.

Sincerely,

Representative Bill Sutton