



February 13, 2020

To: Senate Committee on Financial Institutions and Insurance

From: Kathy Taylor, Kansas Bankers Association

Re: SB 352: Insurance and Notice Requirements for Peer-to-Peer Vehicle Sharing

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before the Committee today on behalf of the Kansas Bankers Association (KBA) and in support of SB 352, which would address insurance coverage and notices given to owners and drivers of peer-to-peer vehicle sharing. The KBA was organized in 1887 and our membership includes 98% of the banks and savings & loans headquartered in Kansas. Our membership also includes 19 out-of-state commercial banks operating in Kansas. The Kansas banking industry employs more than 14,700 Kansans that provide financial services across the state. Our organizational mission statement is:

“Together we support our member banks and bankers with leadership, advocacy and education to benefit the communities and customers they serve.”

While the bill represents a comprehensive approach to establishing a peer-to-peer vehicle sharing program in Kansas, we are here in support of two provisions in particular.

The first is found in Section 4, pages 3-4, and requires the vehicle sharing program to notify the shared vehicle owner that if the vehicle has a lien against it, the use of the vehicle through a peer-to-peer vehicle sharing program may violate the terms of the contract with the lienholder. Most loan agreements do require the owner of the vehicle to maintain private insurance on the vehicle, and many loan agreements prohibit the use of the vehicle for commercial purposes as the vehicle owner may not be aware that a private individual insurance policy would not cover such activity. This notice will induce the vehicle owner to review the loan agreement or to give the lienholder a call. This could be the first opportunity for the vehicle owner to think about his or her insurance coverage.

We also support all of the provisions in the bill that require that the owner and driver to be insured throughout the vehicle sharing process. It is imperative to our industry that there is insurance to cover any damage or loss to the vehicle which could be collateral for a loan during all phases of the vehicle sharing transaction. We are supportive of the requirements for insurance and the required disclosures about coverage to both the shared vehicle owner and driver.

Thank you for your time today and we respectfully request that the Committee act favorably on SB 352.