

## MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairperson Scott Schwab at 3:30 pm on Wednesday, February 04, 2015, 152-S of the Capitol.

All members were present except:

Representative Pete DeGraaf – Excused

Representative Don Hill – Excused

Representative Mario Goico – Excused

Committee staff present:

Iraida Orr, Legislative Research Department

Melissa Calderwood-Renick, Legislative Research Department

David Wiese, Office of Revisor of Statutes

Diane Brian, Kansas Legislative Committee Assistant

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Clark Shultz, Kansas Department of Insurance

Representative Ramon Gonzalez

Dr. Carl Meyer, Jr., constituent

Blake Shuart, Kansas Association of Justice

Dennis Bixby, constituent

Bill Sneed, State Farm Insurance Companies

Brad Smoot, American Insurance Association

Aaron Mays, Allstate Insurance

Others in attendance:

[See Attached List](#)

### **Possible bill introductions**

The following bill was introduced in committee without objection.

Larrie Ann Brown, on behalf of Property Casualty Insurers Association of America, establishing insurance standards protecting drivers and passengers of Transportation Network Companies.

### **Hearing on: HB2142 — Amending the definitions of fraudulent insurance act and external review organization.**

Eileen Ma gave a brief overview of the bill and Chairman Schwab opened the hearing.

The following conferee presented testimony and responded to committee questions.

Clark Shultz, Director of Government Affairs, presented testimony in support of the bill. He stated that the organization we use in Kansas is working towards becoming nationally accredited and it is anticipated this will be completed prior to the expiration of the waiver. ([Attachment 1](#))

CONTINUATION SHEET

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There were no further conferees appearing before the committee and the hearing closed.

**Hearing on: HB2067 — Increasing minimum motor vehicle liability insurance policy limits.**

David Wiese presented an overview of the bill and Chairman Schwab opened the hearing.

The following conferees presented testimony and responded to questions from the committee.

Representative Gonzalez presented testimony in support of the bill, he stated that it is time to update these limits to help those that are burdened by additional expenses beyond current limits. ([Attachment 2](#))

Dr. Carl Meyer, Jr. offered testimony in support of the bill. He testified to his own personal ordeal and how inadequate the current limits are. ([Attachment 3](#))

Blake Shuart, appeared as a proponent. He stated that Kansans that are already victims of negligence, should not be forced to endure unpaid losses and being under-compensated. ([Attachment 4](#))

Dennis Bixby appeared before the committee as a proponent. He testified to his own personal ordeal and stated that we clearly have a medical crisis in our country and it extends over to our insurance coverage and the ability of Kansas laws to keep up with inflation. ([Attachment 5](#))

Brad Smoot presented testimony in opposition to the bill. He stated that the current Kansas law is very much in line with most states. This bill would move Kansas to one of the highest mandated minimums in the nation. ([Attachment 6](#))

Aaron Mays testified in opposition to the bill. He stated that an increase in minimum coverage would result in an increase in premiums. This could potentially cause some people to cancel their coverage and continue driving without insurance. ([Attachment 7](#))

Bill Sneed provided neutral testimony. He asked the committee to move cautiously when looking at a change in mandatory limits. A strong case should be made that demonstrates how such a change benefits all Kansans. ([Attachment 8](#))

The following provided written testimony in support:

William Larson, Attorney, for the Kansas Association of Insurance Agents. ([Attachment 9](#))

The following provided written testimony is opposition to the bill:

David Monaghan, American Family ([Attachment 10](#))

Larrie Ann Brown, Property Casualty Insurers ([Attachment 11](#))

Christine Peterson, Enterprise Leasing Company of Kansas ([Attachment 12](#))

CONTINUATION SHEET

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There were no further conferees and the hearing was closed.

**Possible action on bills previously heard**

Chairman Schwab called for **final action on HB2066-Amending certain statutes relating to investments by life insurance and other than life insurance companies.**

David Wiese gave an overview of the bill.

*Representative Bruchman made a motion, seconded by Representative Doll to pass out **HB2066** favorably for passage. Discussion followed and motion carried.*

Chairman Schwab called for **final action on HB2126-Updating risk-based capital instructions effective date, expiration date for property and casualty actuarial opinion law and increasing the cap on consulting fees for certain insurance companies.**

David Wiese gave an overview of the bill.

*Representative Anthimides made a motion, seconded by Representative Bruchman to pass out **HB2126** favorably.*  
*Discussion followed and motion carried.*

Chairman Schwab adjourned the meeting. The next meeting is scheduled for February 9, 2015.