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719 SW VAN BUREN STREET, SUITE 222, TOPEKA, KS 66603 | PHONE: 785-232-7756 | FAX: 785-232-7730 | WWW.KSAJ.ORG

**To: Representative Scott Schwab, Chairman  
Members of the House Insurance Committee**

**From: Blake A. Shuart, Hutton & Hutton Law Firm, LLC, Wichita  
On behalf of the Kansas Association for Justice**

**Date: February 4, 2015**

**RE: HB 2067 Increasing minimum motor vehicle liability insurance policy limits (SUPPORT)**

The Kansas Association for Justice (KSAJ) is a nonprofit professional organization of Kansas trial attorneys. KSAJ supports HB 2067 increasing minimum motor vehicle liability insurance policy limits.

My name is Blake Shuart, and I am an attorney at Hutton & Hutton Law Firm, LLC. I am also a member of the Kansas Association for Justice. I represent Kansans and their families in claims arising out of injury or death due to motor vehicle accidents. I have also defended insurance companies and their insureds against similar claims.

On behalf of my colleagues at KSAJ, as well as my clients, I welcome the opportunity to speak to the Committee today to support HB 2067 and explain why its passage is important. I will elaborate on three (3) reasons why KSAJ supports HB 2067, and why we ask that the House Insurance Committee pass it favorably:

1. HB 2067 updates Kansas' compulsory insurance automobile law by increasing the minimum amount of liability insurance a person is required to maintain when operating a motor vehicle in Kansas. The last time the minimums were updated was 1981.
2. HB 2067 protects Kansans who are injured or killed by negligent or reckless motor vehicle operators, and increases the chances they will be fully and adequately compensated for their injuries and losses.
3. HB 2067 increases the pool of monies that hospitals, doctors, and other health care providers will be able to collect for reimbursement when they treat individuals injured in an auto

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accident and there is no primary or secondary payer. Consequently, it also then provides a better opportunity for the injured person to recover some monies after reimbursing their health care provider.

I will now provide more background on each reason for KsAJ's support of HB 2067:

First, passage of HB 2067 will bring about a long-needed update to Kansas' auto insurance liability laws. The current required minimum insurance coverage is no longer adequate. The Kansas Auto Injury Reparations Act was enacted in 1974. At that time, the mandatory minimum was \$15,000 per person, \$30,000 per accident, and \$5,000 property damage. Less than 10 years later, in 1981, the Legislature increased the minimum coverage to \$25,000 per person, \$50,000 per accident, and \$10,000 for property damage, which is where the minimums remain today, 34 years later.

Kansas has not updated its compulsory insurance minimums since 1981 when Ronald Reagan was President, the average income per year was \$21,050.00, the median price of an existing home was \$66,400.00, and a loaf of bread cost \$.53. But in 34 years, consumer costs have more than doubled. One hundred dollars (\$100.00) in 1981 is equivalent to \$262.22 in 2014, according to the American Institute for Economic Research. Simply to keep pace with inflation – and to assure that compulsory insurance actually assures that drivers on Kansas roads have financial security in the event of an accident – it is time for the Legislature to update insurance coverage requirements.

Second, HB 2067 protects Kansans who are injured or killed by negligent or reckless motor vehicle operators, and increases the chances they will be fully and adequately compensated for their injuries and losses. Many injured people are not fully compensated for their losses, even if the wrongdoer has insurance. The increase in HB 2067 will help address inadequacy of coverage, generally.

Third, HB 2057 lessens the chance that medical provider bills will go unpaid. With an increased minimum limit, hospitals and doctors have a greater pool of recovery from which to be reimbursed. There will be more funds available to pay out-of-pocket expenses so that a person injured by a driver with minimal coverage will not be left with the injury but no way of paying medical bills and other costs. The likelihood of a person needing to rely upon the state through Medicaid or federal government through Medicare to pay medical bills is also decreased.

Kansans who find themselves the victims of negligence and wrongdoing already have to deal with injuries, losses and aggravation caused through no fault of their own. Having unpaid losses and being under-compensated only makes matters worse. Driving is a privilege – not a right – and those who exercise the privilege should be legally required to carry minimally adequate liability insurance.

On behalf of the members of KsAJ, I respectfully request your support for HB 2067.