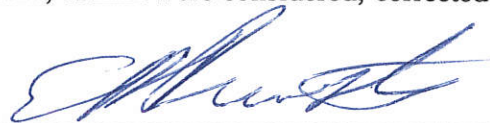


Held in Room 376-W, at the Statehouse at 11:00 a. m./~~xxx~~p. m., on February 24, 1978.

All members were present except: Representative Hurley, who was excused.

The next meeting of the Committee will be held at _____ a. m./p. m., on _____, 19____.

These minutes of the meeting held on _____, 19____ were considered, corrected and approved.



Chairman

The conferees appearing before the Committee were:

The meeting was called to order by the Chairman, who announced a proposal had been drafted, dealing with tort reform and matters related to product liability. He distributed copies of Substitute for HB 2903, explaining that Section 3 had been put in at the request of the Kansas Bar Association and (b) came from the Colorado statutes. Further, he explained Section 4 codifies existing defense.

Rep. Ferguson inquired where someone installs a product and it is installed negligently, if it takes out their liability. Rep. Hayes explained this is an affirmative defense, and can be put before a jury. Mr. Griggs explained new Section 3 speaks to the defense to be used when the action is based on a defect in a product. Rep. Hayes noted he didn't think it was necessary, but that it didn't hurt anything.

It was moved by Rep. Hoagland and seconded by Rep. Frey that the proper language be inserted to clarify the intent. Motion carried. It was then moved by Rep. Martin and seconded by Rep. Whitaker that the word "or" be changed to "and". Motion carried.

The Chairman noted the subcommittee had been visiting intensely with various people who have an interest in this proposal, and it is the consensus if this bill passes and isn't vetoed, the appropriate action from that point on for the next two years is to wait and see what effect, if any, this has on premiums, and what information becomes available from the reporting requirement, so they may look at other proposals regarding regulation of the rates. He stated he would request the Legislative Coordinating Council for an interim committee on the method of setting product liability insurance rates. He expressed the opinion by 1981 there will be some indications.

Rep. Foster observed that in mentioning some people who have an interest and opinions, the Chairman had not mentioned trial lawyers. The Chairman stated they will be opposing this bill in

the Senate. He stated he would not expect Mr. Cornish and Mr. Bennett to adopt the same attitude as KACI and others.

It was moved by Rep. Hayes and seconded by Rep. Hoagland that Substitute for House Bill 2903, as amended, be recommended to the Committee of the Whole. Rep. Martin expressed the hope there would be no problems on the floor with disagreements between committee members. Rep. Baker inquired what the attitude of KACI would be if Mr. Bennett and Mr. Cornish offer torn reform. The Chairman stated they would probably feel compelled to offer some token support, but at the same time believed their level of support would not be what it is now, and he further believed they would try to keep it quiet. Rep. Hayes agreed. Upon vote, motion carried by a majority with Representatives Roth and Baker voting no.

Rep. Lorentz noted there is a problem regarding HB 3041, where a judge has interpreted the statutes as requiring a complete review every ninety days, and it is resulting in a lot of expense for people who cannot afford it. He moved the bill be recommended favorably as amended. Motion was seconded by Rep. Martin, and carried.

The meeting was adjourned.