

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Chairman Rex Hoy at
Chairperson

3:30 ~~a.m.~~/p.m. on February 21, 1983 in room 521-S of the Capitol.

All members were present except:

Rep. Leary Johnson, Rep. Mary Jane Johnson, and Rep. Turnquist, who were excused.

Committee staff present:

Wayne Morris, Legislative Research
Gordon Self, Revisor's Office
Mary Sorensen, Committee secretary

Conferees appearing before the committee:

Kathleen Sebelius, for Kansas Trial Lawyers Association
John Hamilton, member, Kansas Trial Lawyers Association
John Brookens, for Kansas Bar Association
Dudley Smith, for Kansas Bar Association
Jack Euler, Troy, KS, for Kansas Bar Association
Ralph McGee, Kansas City, for AFL-CIO

Others present:

See List (Attachment 1), Pages 1 and 2

Chairman Hoy asked for bill requests, if any, since it was the last day for committee's to request bills drafted. Rep. Baker moved that a bill be drafted and introduced as a committee bill which would allow credit life insurance on leased vehicles. Rep. Littlejohn seconded. The motion carried. Rep. Spaniol passed around Attachment 2, which is a proposed bill resulting from meetings of the subcommittee appointed last week to study possible changes to HB 2111, which was originally offered by Rep. Dean. Rep. Cribbs moved that this proposed bill be offered as Substitute House Bill 2111, by the insurance committee. Rep. Long seconded. The motion carried.

HB 2248 was then up for discussion. Kathleen Sebelius spoke in opposition, and passed around prepared testimony (Attachment 3). John Hamilton read the testimony, then said their association approved the plan in its present form; they urge that the benefits be raised as the cost of all items have gone up with inflation since the present No-Fault bill was passed but they asked that the threshold not be increased. There was discussion as to whether the threshold should be raised or not, and, if raised, how much. There was also discussion on the cost to an individual to add higher limits for PIP to his auto policy, if the threshold is not increased.

John Brookens, representing the Kansas Bar Association, was next to speak in opposition to HB 2248. He stated that the Kansas Bar Association does support the No-Fault concept as it now exists, then passed out Attachment 4, which gives some statistics as to present and proposed PIP benefits and several examples of options for additional benefits available from three representative insurance companies.

Dudley Smith, a member of the Kansas Bar Association then spoke in opposition to HB 2248. He said he thought the higher benefits portion of the bill should be passed but he was opposed to increasing the threshold. He stated that he was also opposed to the automatic adjustment referred to in the bill, because of the way social security costs had increased as a result of automatic adjustments. Jack Euler, another member of the Kansas Bar Assn. then spoke in opposition to HB 2248. He introduced Mr. and Mrs. Ernest Rudnke of Troy, KS, and passed around photographs of how they looked after their car was hit by a large truck in September, 1979. He said he was especially opposed to increasing the threshold.

Ralph McGee from Kansas City spoke as a representative of the AFL-CIO, in opposition to raising the threshold.

Rep. Littlejohn moved that the minutes of February 15, 1983, and February 17, 1983, be approved. Rep. Blumenthal seconded. The motion carried.

The meeting adjourned at 4:45 PM.

Attachment 2

Proposed HOUSE BILL NO. _____

For consideration by
Committee on Insurance

AN ACT relating to motor vehicle liability insurance; concerning the duty to give information of liability insurance and proof of financial security; amending K.S.A. 8-1604 and K.S.A. 1982 Supp. 40-3104 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 8-1604 is hereby amended to read as follows: 8-1604. (a) The driver of any vehicle involved in an accident resulting in injury to or death of any person, or damage to any vehicle or other property which is driven or attended by any person, shall give ~~his-or-her~~ such person's name, address and the registration number of the vehicle ~~he-or-she~~ such person is driving, and upon request ~~and-if-available~~ shall exhibit ~~his--or-her~~ such person's license or permit to drive, the name of the company with which there is in effect a policy of motor vehicle liability insurance covering the vehicle involved in the accident and the policy number of such policy to any person injured in such accident or to the driver or occupant of or person attending any vehicle or other property damaged in such accident, and shall give such information and upon request exhibit such license or permit ~~and,--if--available,~~ the name of the insurer and policy number, to any police officer at the scene of the accident or who is investigating the accident and shall render to any person injured in such accident reasonable assistance, including the carrying, or the making of arrangements for the carrying, of such person to a physician, surgeon or hospital for medical or surgical treatment if it is apparent that such treatment is necessary, or if such carrying is requested by the injured

Atch. 2

person.

(b) In the event that none of the persons specified are in condition to receive the information to which they otherwise would be entitled under subsection (a) ~~of this section~~, and no police officer is present, the driver of any vehicle involved in such accident after fulfilling all other requirements of K.S.A. 8-1602 and subsection (a) of this section, insofar as possible on ~~his or her~~ such person's part to be performed, shall forthwith report such accident to the nearest office of a duly authorized police authority and submit thereto the information specified in subsection (a) ~~of this section~~.

Sec. 2. K.S.A. 1982 Supp. 40-3104 is hereby amended to read as follows: 40-3104. (a) Every owner shall provide motor vehicle liability insurance coverage in accordance with the provisions of this act for every motor vehicle owned by such person, unless such motor vehicle is included under an approved self-insurance plan as provided in subsection ~~(d)~~ (i) or is expressly exempted from the provisions of this act.

(b) An owner of an uninsured motor vehicle shall not knowingly permit the operation thereof upon a highway or upon property open to use by the public, unless such motor vehicle is expressly exempted from the provisions of this act.

(c) No person shall knowingly drive an uninsured motor vehicle upon a highway or upon property open to use by the public, unless such motor vehicle is expressly exempted from the provisions of this act.

(d) No person shall operate a motor vehicle upon a highway or upon property open to use by the public without having in such person's immediate possession evidence of financial security, either by a policy of motor vehicle liability insurance, a certificate of motor vehicle liability insurance as provided in subsection (g) or a certificate of self-insurance as provided in subsection (i).

(e) No person shall display or cause or permit to be displayed or to have in possession, any policy of motor vehicle

liability insurance, certificate of motor vehicle liability insurance or certificate of self-insurance which such person knows is fictitious, or has been canceled or altered, or issued on the basis of knowingly concealing a material fact, or which such person knows that a fraud has been committed in the application for such insurance or self-insurance.

(f) No person shall operate a motor vehicle upon a highway or upon property open to use by the public and refuse to immediately display, upon demand, evidence of financial security, either by a policy of motor vehicle liability insurance, certificate of motor vehicle liability insurance as provided in subsection (g) or a certificate of self-insurance as provided in subsection (i), to a law enforcement officer or to refuse to give the information required to be given in K.S.A. 8-1604 and amendments thereto to any party in an accident involving such vehicle.

(g) The term "certificate of motor vehicle liability insurance," as used in this section, means a document issued to a policyholder by the insurer, in a form approved by the commissioner of insurance, which includes the following information about the motor vehicle liability insurance policy:

(1) The dates which the policy is in effect;

(2) the name of the person or persons to which such policy is issued;

(3) the make, year and identification number of the insured vehicle or a statement of blanket insurance coverage for dealers and fleet owners;

(4) the full name and address of the insurer and issuing agent, if any; and

(5) a statement that the limits of liability meet or exceed those required by the Kansas automobile injury reparations act.

(h) No person charged with violating subsections (b), (c), (d), (e) or (f) shall be convicted if such person produces in court, or the office of the arresting officer, within 20 days of the date of arrest, evidence of financial security for the motor

vehicle operated, which was valid at the time of arrest. For the purpose of this subsection, evidence of financial security shall be provided by a policy of motor vehicle liability insurance, a certificate of motor vehicle liability insurance, a certificate of self-insurance or the completion of a form prescribed by the commissioner of insurance which certifies that at the time of arrest, the motor vehicle was covered by motor vehicle liability insurance and such form is signed by the insurer or an agent of the insurer, or by the commissioner of insurance if a certificate of self-insurance was in force.

←d→ (i) Any person in whose name more than 25 motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance from the commissioner of insurance. Upon application of any such person, the commissioner of insurance may issue a certificate of self-insurance, if the commissioner is satisfied that such person is possessed and will continue to be possessed of ability to pay any judgment obtained against such person arising out of the ownership, operation, maintenance or use of any motor vehicle registered in such person's name.

Upon not less than five days' notice and a hearing pursuant to such notice, the commissioner of insurance may cancel a certificate of self-insurance upon reasonable grounds. Failure to pay any judgment against a self-insurer, arising out of the ownership, operation, maintenance or use of a motor vehicle registered in such self-insurer's name, within 30 days after such judgment shall have become final, shall constitute reasonable grounds for the cancellation of a certificate of self-insurance.

←e→ (j) Any person violating any provision of this section shall be guilty of a class B misdemeanor, except that any person convicted of violating any provision of this section within three years of any such prior conviction shall be guilty of a class A misdemeanor.

←f→ (k) In addition to any other penalties provided by this act for failure to have or maintain financial security in effect,

the director, upon receipt of the accident report required by K.S.A. 8-1607 and amendments thereto, shall, upon notice and hearing as provided by K.S.A. 40-3118~~7~~ and amendments thereto, suspend:

(1) The license of each driver in any manner involved in the accident;

(2) the license of the owner of each motor vehicle involved in such accident, unless the vehicle was stolen at the time of the accident;

(3) the registrations of all vehicles owned by the owner of each motor vehicle involved in such accident;

(4) if the driver is a nonresident, the privilege of operating a motor vehicle within this state;

(5) if such owner is a nonresident, the privilege of such owner to operate or permit the operation within this state of any motor vehicle owned by such owner.

~~(g)~~ (l) The suspension requirements in subsection ~~(f)~~ (k) shall not apply:

(1) To the driver or owner if the owner had in effect at the time of the accident an automobile liability policy as required by K.S.A. 40-3107~~7~~ and ~~any~~ amendments thereto, with respect to the vehicle involved in the accident;

(2) to the driver, if not the owner of the vehicle involved in the accident, if there was in effect at the time of the accident an automobile liability policy with respect to such driver's driving of vehicles not owned by such driver;

(3) to any person qualified as a self-insurer under subsection ~~(d)~~ (j) ~~of this section~~;

(4) to any person who has been released from liability, has entered into an agreement for the payment of damages, or has been finally adjudicated not to be liable in respect to such accident. Evidence of any such fact may be filed with the director;

(5) to the driver or owner of any vehicle involved in the accident which was exempt from the provisions of this act pursuant to K.S.A. 40-3105 and amendments thereto.

~~(h)~~ (m) For the purposes of provisions (1) and (2) of subsection ~~(g)~~ (1) ~~of this section~~, the director may require verification by an owner's or driver's insurance company or agent thereof, that there was in effect at the time of the accident an automobile liability policy as required in this act.

Any suspension affected hereunder shall remain in effect until satisfactory proof of financial security has been filed with the director and such person has met the requirements under subsection ~~(g)~~ (1) and has paid the reinstatement fee herein prescribed. Such reinstatement fee shall be ~~in the amount of~~ \$25 except that if the registration of a motor vehicle of any owner is suspended within one year following a prior suspension of the registration of a motor vehicle of such owner under the provisions of this act such fee shall be ~~in the amount of~~ \$75.

Sec. 3. K.S.A. 8-1604 and K.S.A. 1982 Supp. 40-3104 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

TESTIMONY ON H.B. 2248

Kansas Trial Lawyers Association

February 21, 1983

Only fifteen states in the country, including Kansas have enacted mandatory no-fault insurance systems which restrict a victim's access to the courts.¹ Eight additional states² provide for no-fault benefits as supplemental or "add-on" benefits, but do not limit the accident victim's access to the courts. In addition to those, the Illinois statute was declared to be unconstitutional and the Nevada Legislature repealed no-fault. No state has passed a no-fault law since 1975.

It is important to explain the jargon of this issue before discussing the merits and trade-offs. Clearly some ad genius from "Madison Avenue" was involved in the terms used for this insurance. What the public wants is a fast, efficient, simple, fair auto reparations system which assures them quick and speedy payment of their out-of-pocket losses such as medical expenses, lost wages and property damage. The insurance should be affordable. The passage of H.B. 2248 will not achieve this goal.

We must understand the term "no-fault". There is really no such thing as no-fault insurance. What it refers to is that por-

tion of the automobile insurance premium dollar which provides first party personal injury protection. Paying the individual directly for certain out-of-pocket losses, primarily medical expenses and lost wages, without regard to the issue of fault.

Most people already have protection which provides direct and quick payment to them for these losses. This protection is called health insurance. It is called disability insurance, sick leave and other wage continuation plans. No-fault has caused many to have to purchase this coverage twice, this is the real "double dip," twice into the consumer's pocket, and while it is true you are paid for these out-of-pocket losses by no-fault without regard to fault, the amount of your insurance premium, which you must pay, is very much determined by fault. Your accident record and traffic violation records are very much a part of the rate-making structure. There are other ways in which fault is a part of no-fault. The term no-fault is a highly misleading term to the consuming public.

The other "Madison Avenue" term to discuss is "threshold." The proponents of "no-fault" could have called it a prohibition -- an elimination of rights -- a bar -- a restriction of rights. But those are unpleasant, unpopular terms which the public would never support and the Legislature would never enact, because in this

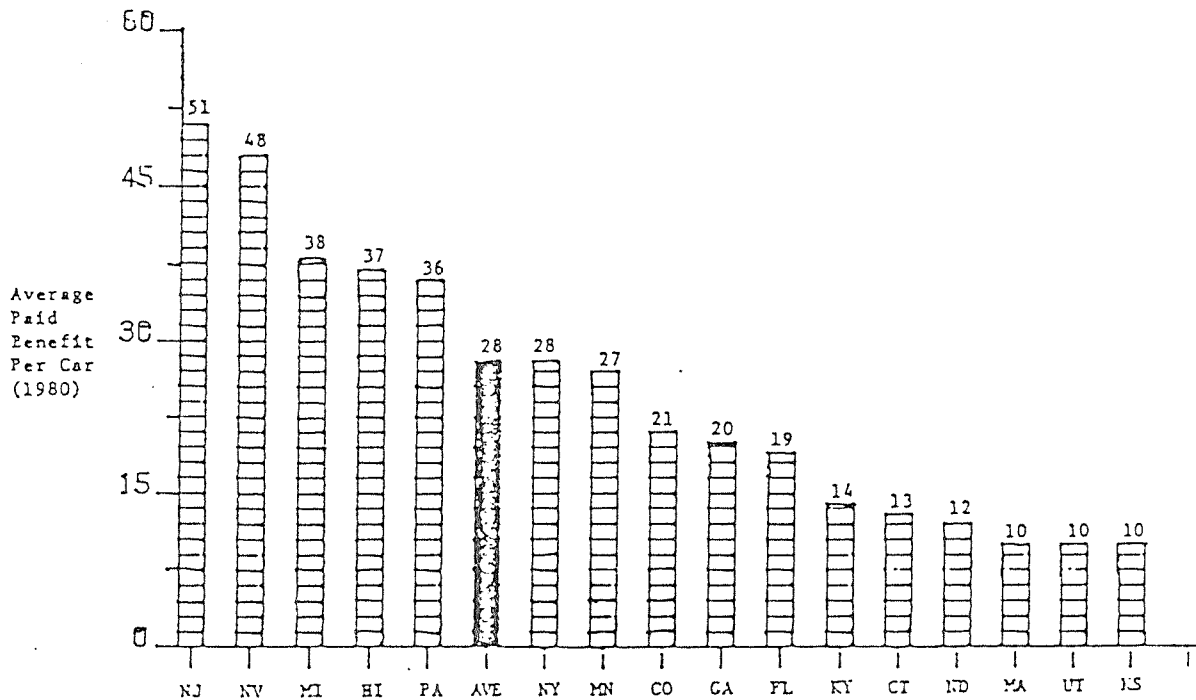
country we have learned the value of individual rights which is constantly reinforced by the news from other parts of the world.

So the proponents of "no-fault" dreamt up the word "threshold." It sounds so warm and inviting. It says "come on in." Nothing could be further from the truth. The proponents of no-fault have contended that a threshold is needed to provide the money for first party benefits by taking away the rights of the injured victims to be fairly compensated for general damages. This, too, was a nice theory that did not work in practice. In fact, in theory, the most that might be saved, by the most restrictive threshold imaginable, is no more than a couple of percentage points and, in practice, the realization of any savings by depriving consumers of their rights in this manner is at best questionable. Remember, that by far the largest percentage of the bodily injury liability dollars goes to the catastrophically injured or dead victims whose rights no one would ever propose be eliminated. In fact, the proponents of the bill contend that the threshold contained in present law is inadequate based on the bodily injury paid claim frequency, yet the claim frequency went down with the enactment of the no-fault in 1973.

It is not difficult to accept the statements from the Insurance Commissioner's Office that the Kansas benefits are too low.

According to a 1981 New Jersey no-fault insurance study, Kansas pays the least benefits of any no-fault state.

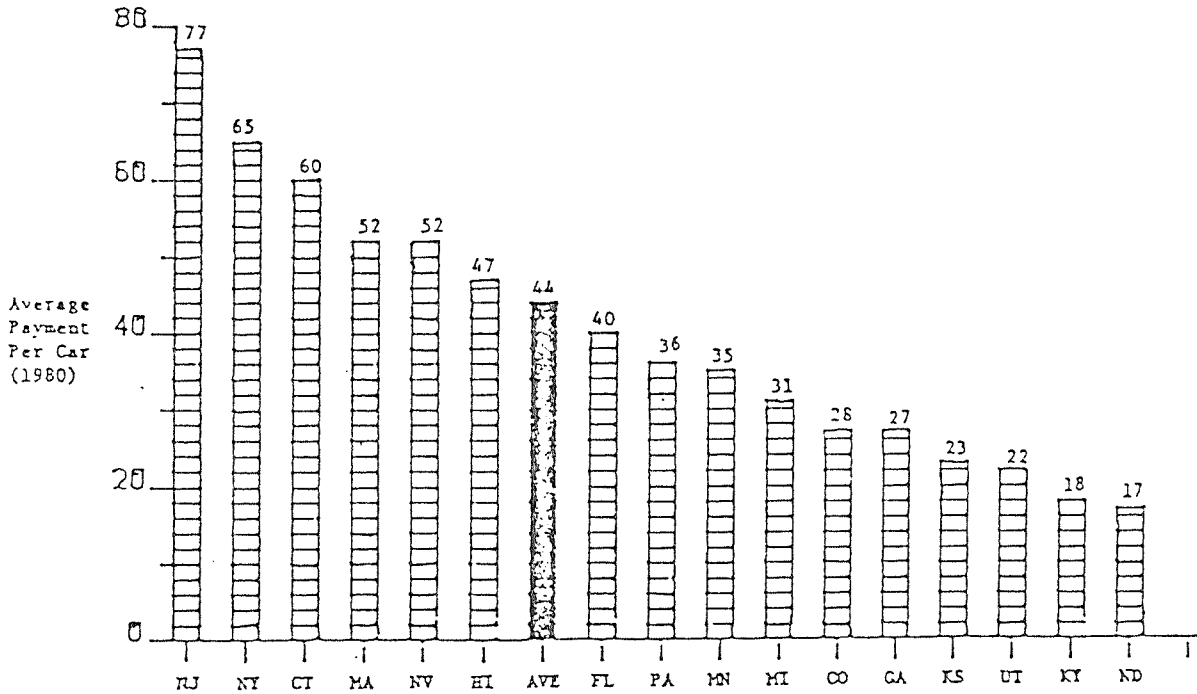
The total no-fault benefits paid in each of those no-fault states, divided by the number of insured cars in that state results in the average paid benefits per car. In Kansas, the no-fault benefits paid in 1980 are lower than in any other no-fault state in the country (\$10 compared to an average for all no-fault states of \$28).



Source: NAIC Fast Track.³

For fault payments, those injuries outside of tangible losses, Kansas ranks close to the bottom.

The cost of Kansas' fault payments is also the closest to the lowest of all no-fault states. Again, the chart is based on average payment per car. Kansas is at \$23 compared to an average of \$44 for all no-fault states.



Source: NAIC Fast Track.⁴

When fault payments and no-fault payments are added together, the national average is \$72 per car and in Kansas drivers receive only \$33.00 per car, less than half the average.

According to the same New Jersey study only 13% of Kansas accident victims are eligible for fault claims with the current \$500 threshold.⁵ This means that under the current law, 87% of injured Kansans do not qualify to go to court. You are being asked to pass a bill which would substantially reduce that 13%.

Auto premiums have risen in every no-fault state despite what the industry promised in the early 70's. A State Farm study⁶ showed that rate increases in no-fault states have risen more than in fault states.

Tort Law States	36%
No-Fault States	39%
Michigan ("pure" no-fault)	50%

So the argument that passing no-fault insurance, or adjusting the balance will reduce premiums, has not proven to be true.

At the same time, there is no evidence that the \$500 threshold is not working in Kansas. According to statistics from the Kansas Judicial Administrator's Office, filings for auto cases have decreased every year since the passage of No-Fault. Listed below are statistics from 1971 through 1980.

<u>Fiscal Year</u>	<u>Number of Filings</u>
1971	2,040
1972	1,808
1973	1,669
1974	1,543
1975	1,289
1976	1,260
1977	1,151
1978	1,346
1979	1,332
1980	1,276

The Administrator no longer keeps separate subtotals for case filings, but Lowell Long was able to provide us with data showing that total case filings have declined since 1980 by approximately 27% (4,047 cases in FY '82; 5,480 cases in FY '80). The total number of auto case filings has never been high in Kansas and there is nothing to indicate that additional injured citizens should be barred from court.

Let's look at the specifics of H.B. 2248. The bill takes the benefit package, payments to accident victims for wage loss, disability, funeral expenses and raises them by 2 to 2 1/2 times the 1973 levels. The variation comes from the use of different indexes.

No one will argue that the dollars paid to Kansas drivers for first party benefits are way too low. As we said earlier, we pay less per driver than any state in the country. But, who will these increases benefit? According to discussions with Kansas agents, somewhere over 50% of drivers currently pay for and carry these higher benefits. Western Insurance estimates that 80% of their insured drivers have insurance levels at least as high as the increased benefits, and State Farm said that probably 70% of their drivers carried these higher limits.

The Kansas insurance representatives also estimated that it would only cost \$7-8 per policy to provide for higher benefits without any change in the threshold. One would assume that if 70% of the drivers already have the higher coverage then the cost increases would be incurred by a limited number of drivers and if spread throughout the population, would be even lower than \$7.00.

In exchange for this new benefit package, you are being asked to make the threshold five times higher than it is now. 100% of the Kansas drivers would be subjected to this new \$2,500 level. We have tried to determine exactly how many injured citizens would be barred from court if this new bill passes. No one can give us any accurate figures. But, unless the insurance industry felt that the numbers were substantial, they would not advocate passage of this bill.

The current threshold is \$500, but the Commissioner's Office has used the starting figure of \$1,000 and then multiplied it by 2 1/2 times. None of the benefits are five times higher than the 1973 level, but the threshold, which keeps citizens out of court, would be five times higher.

We are a group of attorneys who represent injured victims. We are accused of only caring about money. You can believe that if you must, but let me assure that there are hundreds of innocent

Kansas citizens who would be harmed by the passage of this regressive legislation.

No one who works with accident victims would deny the areas of "intangible suffering" which can result from injuries. From the pain which is not visible on an x-ray, but which someone lives with every day, to loss of various functions in your body, to the disarray of your life because of hospitalization and loss of a job. Housewives, children, retired persons and an entire population of unemployed workers will be greatly limited in their recovery because they have no wages.

These people are not wrong doers -- they are victims. They rely on public policy of the state to protect them. And you are being asked to greatly restrict their rights to a fair and equitable recovery to save a few dollars on auto insurance policies.

There is no dispute that more accident victims will be barred from court; that is the essence of the trade-off you are being asked to make. If no-fault premiums rise further because of losses in investment income, will you be asked to bar even more Kansans from court?

There are some things which we would recommend to improve the current situation, which is not satisfactory to many people. We

believe that the public wants speedy payment of claims. They don't want to be hassled by their insurance companies. There are several ways these hassles can be prevented. One way would be to raise penalty interest on overdue benefits, and another is to provide for the payment of other costs and expenses incurred by the claimant in order to collect no-fault benefits. Believe me, these two measures would go a long way toward assuring the speedy payment of no-fault benefit claims.

In addition, the vast majority of automobile accidents are nothing more than "fender benders" and this is where the public really needs some relief. It is where people come in contact with their insurance companies most frequently and where most of the problems arise. The consumer wants his/her car fixed quickly or a replacement vehicle in the case of a total loss. Too often, what one gets instead is a hassle and delays. Consider also that perhaps the single largest factor which is driving up the cost of automobile insurance is the rapidly escalating cost of replacement parts. Presently, insurance agents are motivated to sell collision and comprehensive coverage with low deductibles because it means higher premiums and, therefore, higher commissions. This Committee ought to consider the possibility that the Kansas law should encourage consumers to purchase high deductibles on their collision and comprehensive coverage by mandating that these coverages may not be offered or promoted with a deductible less than \$250. Small

property damage claims on insurance policies having low deductibles, such as \$50 or \$100, are expensive to process and, ultimately, the consumer pays far more for the insurance coverage than the cost of repair paid out-of-pocket. The rising cost of automobile repairs, and therefore, property damage insurance could be controlled if each policy holder was given a larger stake in keeping repair costs down. Efforts today to educate the public to take such high deductibles have failed. The policyholders paying the highest premiums would benefit the most from this reform through substantial cost reductions.

In line with the urgent need to assure prompt hassle-free payment of property damage claims, we suggest this Committee's consideration of the following: requiring that all property damage claims be paid within ten days after the insurance company receives notice of the claim and late payments should trigger substantial penalty interest payments, and the payment of costs and expenses. Measures such as these would provide your constituents the kind of consumer protection they thought they got when the original no-fault act was passed.

We would also recommend the adoption of the benefit increases included in H.B. 2248. The drivers of Kansas must purchase insurance according to the 1973 No-Fault Act. We do not feel that the

drivers who do not already carry higher benefits (20-25% of the population) are being protected by the 1973 levels.

But, we urge you to resist the trade-off proposed for years by the insurance industry and now being advocated by the Commissioner of Insurance. The public deserves protection and assumes that their auto insurance will protect them. The most difficult issue is the threshold question. Experience in other states demonstrates clearly that monetary or verbal thresholds limiting the right to sue are not necessary to the effectiveness of a no-fault plan nor have they produced any significant reduction of premiums. The elimination of the right to compensation for "non-economic losses" is a denial of legitimate compensation rights which is arbitrary and unfair. These rights existed long before the Magna Carta and form the very basis of our system of rights and responsibilities. Threshold provisions become targets for litigants to overcome: if monetary, they encourage claims; if verbal, they foster litigation for the resolution of definitional issues and complicate the fact-finding process.

There are several states with add-on PIP benefits and mandatory liability coverage. The Kansas insurance report⁷ has said that "their (the add-on plans) primary purpose is to provide prompt payment of benefits to more people." The "add-on plans" add first party benefits to the standard motor vehicle liability insurance

policy, but do nothing to limit or restrict the right to sue in court. This alternative to the Kansas No-Fault Law may be the most effective way to serve the citizens, without restricting the rights of any injured Kansan.

The Kansas Trial Lawyers Association urges this Committee to oppose H.B. 2248 in its present form. We strongly endorse benefit increases and would urge the Committee to consider the various methods we suggested to expedite payment of property damage and benefit claims. This is the most effective means of reducing lawsuits, to provide prompt and fair recovery to the accident victim.

It is our hope that you will refuse to accept the insurance concept that for a savings of approximately \$.60 per month additional injured Kansas citizens should be barred from court. This trade-off will be harmful to the consumers of this state who rely on the Legislature for protection.

FOOTNOTES

1. 15 mandatory no-fault states: Colorado, Connecticut, Florida, Georgia, Hawaii, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Dakota, Pennsylvania and Utah. An Evaluation of the Kansas No-Fault Law; Michael Dutton; January 21, 1981; p. 7.
2. 8 add-on no-fault plans: Arkansas, Delaware, Maryland, Oregon, South Carolina, South Dakota, Texas and Virginia. Kansas study; p. 6.
3. New Jersey No-Fault Automobile Insurance Study; August, 1981; p. 4.
4. Ibid., p. 7.
5. Ibid., p. 11.
6. Oral presentation by Jean Heistand, State Farm Insurance Companies, to California Legislative Committees; March, 1979.
7. Op. Cit. An Evaluation of the Kansas No-Fault Law; p. 6.

PIP Benefits under Present law

Proposed PIP Benefits & changes under HB 2248, 83 Session

Medical Expense	\$2,000/person	\$4,900/person
Funeral Expense	1,000/person	2,200/person
Rehabilitation Exp	2,000/person	4,900/person
Loss of Earnings	650/person/month	1,200/person/month
Survivor's benefit	650/person/month	1,200/person/month
Substitute service	12/day/person	22/day/person

Tort exemption/threshold: \$500 medical expense 2,500.00 medical expense

Most insurance companies offer additional benefits under various options, some companies offering Options I or II, some companies offering more options.
For example:

AID Insurance Company offers what it calls Option PIP 60, which costs \$5.00 additional premium with these benefits:

One of the companies of the Kemper Ins Group offers what it calls PIP Option II, which costs \$3.00 add'l premium with benefits:

Medical expense	\$25,000/person	\$25,000/person/2 yrs
Funeral Expense	1,000/person	1,500/person
Rehabilitation Exp	2,000/person	25,000/person/2 yrs
Loss of earnings	1,000/person/month for 2 yrs	1,000/person/month/2 yrs
Survivor's benefit	1,000/person/month for 2 yrs	1,000/person/month/2 yrs
Substitute service	12/day/person	12/day/person/2 yrs

Tort exemption/threshold: \$500 medical expense Threshold: \$500 medical expense

Western Casualty offers what it calls Option II, which costs \$8.00 additional premium with benefits as follows:

Medical expense	\$25,000/person
Funeral expense	2,000/person
Rehabilitation Exp	2,000/person
Loss of earnings	1,000/person/month/2 yrs
Survivor's benefit	1,000/person/month/2 yrs
Substitute service	12/day/person/2 yrs

Tort exemption/threshold: \$500 medical expense

TORT FILINGS

	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>
Chapter 60	3,402	3,055	2,810
Chapter 61	<u>2,078</u>	<u>1,469</u>	<u>1,237</u>
TOTAL	5,480	4,524	4,047

<u>% of Change</u>	<u>FY 80-81</u>	<u>FY 81-82</u>	<u>FY 80-82</u>
Chapter 60	- 11%	- 9%	- 18%
Chapter 61	<u>- 30%</u>	<u>- 16%</u>	<u>- 41%</u>
TOTAL	- 18%	- 11%	- 27%

1-31

Judge:

THE CLERK
OF THE STATE

1. as per your request
2. From 1980 to 1982, on a fiscal year basis, tort filings are down 27%.
3. Hope this is what you needed.

Lowell