

3/23/89

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCEThe meeting was called to order by SENATOR RICHARD L. BOND at
Chairperson9:00 a.m./~~p.m.~~ on TUESDAY, MARCH 21, 1989 in room 529-S of the Capitol.All members were present ~~except~~: Senators, Bond, Salisbury, Strick, McClure, Anderson, Parrish, Karr, Reilly, Kerr, Yost, Moran.

Committee staff present:

Bill Wolff, Legislative Research
Bill Edds, Revisor's Office
Louise Bobo, Committee Secretary

Conferees appearing before the committee: There were none.

Chairman Bond called the meeting to order at 9:16 a.m.

HB 2269 - There were no conferees on this bill. Staff explained the two changes in the compulsory automobile liability insurance law which are set forth in this bill. Kansas statute would be amended to allow the Director of Motor Vehicles to restore driving privileges when an individual has met all the other reinstatement requirements and has been released from liability or is a party to an action to determine liability. The second change would require hearings called by the Insurance Commissioner to review certificates of self-insurance to be held in accordance with the Kansas Administrative Procedure Act.

Discussion followed. A committee member related a personal experience of being involved in an accident. The other party involved had no liability insurance and yet had his license suspended for only three weeks. John Smith, Kansas Department of Vehicles, said that there was no way that party should have had his driver's license returned after only 3 weeks.

No action was taken on HB 2269.

HB 2324 - Staff informed the committee that this bill amends the very same statute as HB 2269. This bill would amend the compulsory automobile liability insurance law to raise the minimum penalty for failure to maintain financial security from \$100 to \$200.

Discussion followed explanation of the bill. One committee member remarked that we put so many provisions on our own state citizens and yet people from other states do a lot of damage and get away "scot-free". John Smith advised the committee that his department had no strong feeling about raising the minimum penalty.

Robert Frey, Kansas Trial Lawyers, informed the committee that HB 2482, which is still in House Insurance Committee, would increase the minimum coverage by 100%. He said that he would like for the committee to amend HB 2324 to accomplish this.

Chairman Bond inquired of Larry Magill, Kansas Independent Insurers, if he wished to make a statement concerning HB 2324. Mr. Magill stated that his organization was opposed to raising the minimum limits because of the cost impact.

A committee member advanced the idea that perhaps the tort threshold on the no fault bill could be doubled. Mr. Frey reemphasized that we were not talking about a significant amount of money--that the rate does not double because the coverage does.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,
room 529-S, Statehouse, at 9:00 a.m./~~p.m.~~ on TUESDAY, MARCH 21, 1989

The committee did not take any action on HB 2324.

Chairman Bond requested Staff to review the bills that would be discussed during committee meeting on Wednesday. The bills reviewed included HB 2381, 2383, 2497, and 2502.

The minutes of Thursday, March 16 and Friday, March 17, were approved on a motion of Senator Reilly. Senator Kerr seconded. The motion passed and the minutes approved as written.

The meeting adjourned at 9:55 a.m.

