

Approved: Robert Tomlinson  
Date March 9, 1999

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Bob Tomlinson at 3:30 p.m. on February 4, 1999 in Room 527-S of the Capitol.

All members were present except: Rep. Burroughs

Committee staff present: Bill Wolff, Research  
Bob Nugent, Revisor  
Mary Best, Secretary

Conferees appearing before the committee: Kathleen Sebelius-Kansas Insurance Commissioner  
Representative David Huff  
Craig Jorgenson-American Family  
Paul Ridgeway-American Family  
Kevin Davis-American Family  
Lee Wright-Farmers Insurance Group  
Bret Landrith-Fairness -Kansas  
Eilene King-Kansas County Treasurer Association  
Tom Whitaker-Kansas Motor Carriers Association  
Ron Becker-Constituent  
Bill Sneed-State Farm Insurance  
Pat Morris-Kansas Association of Insurance Agents

Others attending: See attached document

Chairman Tomlinson called the meeting to order. Chairman reminded everyone of the conferee rules regarding signing in and video equipment. The Chairman then asked the committee to read over the minutes and a motion would be entertained for them after the testimony is over. Both bills were to be called simultaneously to accommodate Commissioner Sebelius and Representative Huff. Chairman Tomlinson then opened the hearings to the public and conferees.

**HB 2091: Strengthening penalties against uninsured motorist**

**HB 2066: Concerning proof of insurance prior to motor vehicle registration**

Kathleen Sebelius, Commissioner of Insurance for the State for the State of Kansas, presented testimony on both bills. A copy of both testimonies are (Attachment #1 & #11) attached hereto and incorporated into the Minutes by reference. Commissioner Sebelius began testimony with **HB 2066** supporting Representative David Huff in verifying and strengthening the laws requiring people to show proof of motor vehicle insurance before registering a vehicle. Current law does not specifically require proof to be shown prior to registration or renewal. Kansas has a mandatory insurance law for automobiles, but not a law to show actual proof of insurance before registering your vehicle.

Discussions followed addressing adding more laws if pre-existing laws if these were not being enforced; numbers of uninsured rising due to high rates and high number of accidents.

Verification can be made through one of several documents and if they use the mail, a photocopy will be accepted. Commissioner Sebelius stated it does little good to mandate insurance if there is not enforcement of the laws until there is an accident. Commissioner Sebelius urged the committee to consider the bill for passage.

This bill would have no fiscal effect on the state.

Commissioner on **HB 2091** stated Kansas was the 8<sup>th</sup> lowest state in the nation for insurance rates. The commissioner stated she announced her 1999 Auto Insurance Improvement Act, which is designed to continue reducing auto insurance rates in Kansas, and create more insurance choices for the consumer and update auto laws. The Commissioner feels this will also be harder on uninsured motorists, bring more drivers into the state pool, and reduce costs for responsible drivers. There are approximately 150,000 to 180,000 uninsured drivers in Kansas. The commissioner is requesting increase for violators go from a class B misdemeanor to a class A misdemeanor; to increase the criminal penalty for repeat violators from class A to non-person felony; increase the reinstatement and providing proof of insurance from \$75. to \$750. She then requested increases fees for not maintaining insurance throughout the registration period, and to increase the fees for repeaters as well. Section 3 covers what is called "zero deductible."

Questions were asked of the Commissioner regarding costs to the treasurers office and additional work load. No additional enforcement is required, maybe only a change in the dollar amount. If there would be it would be attached to **HB 2091**. Questions were raised regarding the rate increases, and rise in fraudulent claims. No statics were available.

Representative David Huff gave Proponent Testimony to the committee, on **HB 2066**. Written testimony was furnished to the committee and a copy of the testimony is (Attachment #2) attached hereto and incorporated into the Minutes by reference. Representative Huff gave an actual account of a citizen falsely obtaining tags with a made up insurance number, the clerk did not ask for proof of insurance, but took the piece of paper with the made-up number on it. This practice is occurring thru the mail as well. Representative Huff stated not all of the people who are uninsured are not people with funds, but by some people with money who just don't want to invest in insurance.

Craig Jorgenson, American Family Insurance Agent, gave Proponent Testimony to the committee. Written testimony was furnished to the committee and a copy of the testimony is (Attachment #3) attached hereto and incorporated into the Minutes by reference. Mr. Jorgenson stated American Family, Who has 13% of the market in Kansas, has 1-2 uninsured motorist claims per month. This amounts to several thousands of dollars paid out on such claims. They feel the penalty for uninsured motorist should be much more severe. They realize dishonesty is hard to control, but feel that with today's technology each policy holder can and should be issued an policy identification card.

Mr. Jorgenson stated that Kansas has a \$14 million problem and that it is hard to explain to insured motorists why it is hard to be reimbursed by the insurance companies on this type of claims. It was noted that if a driver is stopped by the police, that the driver has 72 hours to produce proof of insurance and the ticket will not go through. It is very easy to verify if it is in effect. Many states already require proof of insurance at the time of vehicle registration, while some require proof to be with the vehicle at all times. Research on the \$0 deductible is already being offered. Mr. Jorgenson stated the amount of time to verify adds no cost to county clerks and would take 10 seconds to look at the policy card to verify insurance, for each person in line. He also stated, states used to be required to report all insurance cancellations to the States Insurance Departments, but not so anymore.

Paul Ridgeway, spoke to the committee, but offered no written testimony. Mr. Ridgeway confirmed Mr. Jorgensons' presentation to the committee.

Kevin Davis, Government Affairs Counsel for American Family Insurance, gave Proponent Testimony to the committee. A copy of the testimony is (Attachment #4) attached hereto and incorporated into the Minutes by reference. Mr. Davis stated American Family is on of the top 5 insurance companies in Kansas and have had \$1,840,000. in losses in 1998, due to uninsured motorists. He stated there is a definite problem in Kansas and feels the bill will help to solve some of the problem. If other carriers have similar losses, this can amount to an excess of \$14,000,000. loss caused by uninsured motorist in Kansas.

Mr. Davis has offered two (2) Amendments to the bill which are "conceptual in nature and defers to the revisor to appropriately craft the language necessary to accomplish the purpose of intent". He realizes this will not do away with people who will continually commit these acts, but it may help to cut back on some of it. Other forms of proof can be used to verify insurance, such as insurance binders, certificates of insurance, both of which are being used in Missouri. He also suggested signing forms to keep the insurance in tact for as long as you own your car.

Ms. Eileene King, Riley County Treasurer, representing the Kansas County Treasurers, gave Neutral Testimony to the committee. A copy of the testimony is (Attachment #5) attached hereto and incorporated into the Minutes by reference. Ms. King is concerned about who in the Treasurers office will be the one to be the enforcer and who will handle the "additional hassle" to the customer as well as the "hardship" to people doing renewals by mail. She feels the "best way to verify everyone has insurance is to have a system in place that matches the person's insurance and the vehicles they have registered". She also suggested the "only way this can be accomplished is to collect the social security numbers to verify that the insurance is enforced on the proper vehicle". She feels the Motor Vehicle Department could implement this. Ms. King realizes there is a problem with uninsured motorist in Kansas, but wonders if we need to "hassle" the people who are insured by asking for proof of insurance and "is the Motor Vehicle Department ready to handle an additional document on each transaction"?

Mr. Tom Whitaker, Director of Governmental Relations and Membership Services, for the Kansas Motor Carriers Association, presented Neutral Testimony to the committee. A copy of the written testimony is (Attachment #6) attached hereto and incorporated into the Minutes by reference. He offered an additional option as an amendment by adding the following language to page 1, line 39: "or a motor carrier identification number issued by the state corporation commission". The Kansas Motor Carriers Association supports the bill otherwise.

Mr. Lee Wright, Farmers Insurance Group, presented Opponents Testimony to the committee. A copy of the testimony is (Attachment #7) attached hereto and incorporated into the Minutes by reference. Mr. Wright explained how in 1987 there was an Ad Hoc Committee formed to study and recommend changes to the compulsory automobile liability insurance requirements. The end results were that there would always be a percentage of the driving population who would always find a way around the laws and drive uninsured. Therefore, the decision must be made as to how much more of a burden and inconvenience we wanted to place on those drivers who do comply with the law by asking for proof of insurance and does not feel the bill is the remedy to the situation.

Ms. Sheila Walker, Special Assistant to the Secretary of the Department of Revenue, presented written testimony, but did not wish to testify. A copy of her testimony is (Attachment #8) attached hereto and incorporated into the Minutes by reference. She stated the Division of Motor Vehicles could implement the changes proposed in this bill, estimating the cost would be approximately \$51,522 to make the necessary computer changes. However, they are concerned about customer satisfaction and asking for people to show proof of insurance. They do not specifically support or oppose the bill, but wanted to bring up the impositions on people not carrying their insurance cards with them at the time of registration or mail in.



(Attachment #9) is hereto incorporated into the Minutes by reference. It is a copy of the National Conference Of Insurance Legislators Year 2000 Compliance Resolution Executive Committee. The presenter is unknown.

Continuing with **HB 2091**, Mr. Ron Becker, a constituent, offered Proponent Testimony. A copy of his testimony is (Attachment #10) attached hereto and incorporated into the Minutes by reference.

Mr. Bill Sneed, State Farm, offered Opponent Testimony. A copy of the testimony is (Attachment #12) attached hereto and incorporated into the Minutes by reference. Mr. Sneed's testimony opposes the zero-deductible option.

Mr. Tom Murray, Vice-President of the Kansas Association of Insurance Agents, spoke in place of Pat Morris, giving Opponent Testimony. A copy of the testimony is (Attachment #13) attached hereto and incorporated into the Minutes by reference. They feel the increases in monetary penalties for uninsured motorists as well as the change from a misdemeanor to a felony "need to be debated by the Legislature and do not directly affect the insurance mechanisms involved with auto insurance". They also oppose the zero-deductible option.

Mr. David Hanson, Legislative Counsel to Kansas Association of Property and Casualty Insurance Companies gave Opponent Testimony to the committee. A copy of his written testimony is (Attachment #14) attached hereto and incorporated into the Minutes by reference. He too is opposed to the zero-deductible option, feeling insurance companies already offer several deductibles and would require companies to create new coverage language, forms, and applicable rates, as well as new endorsements, terms etc. They also feel this option would force people out of the system who are already trying to comply with the laws.

Mr. Lee Wright, Farmers Insurance Group, gave Opponent Testimony to the committee. A copy of his testimony is (Attachment #15) attached hereto and incorporated into the Minutes by reference. He supports the previous testimony and objections to the bill.

Mr. Bret Landrith, Fairness Kansas, gave Opponent Testimony to the committee. A copy of his testimony is (Attachment #16) attached hereto and incorporated into the Minutes by reference.

Ms. Sheila Walker, Special Assistant to the Secretary of the Kansas Department of Revenue. She gave written Neutral Testimony to the committee, but did not wish to testify. A copy of the testimony is (Attachment #17) attached hereto and incorporated into the Minutes by reference.

End of testimony. Public hearings on the above mentioned bills were called to a close by Chairman Tomlinson at 5:45 p.m.

The Chair called for approval of the minutes from January 12, 14, 19th, 21<sup>st</sup>, 26<sup>th</sup> and 28<sup>th</sup>. Committee unanimously voted to approve the minutes.

Next committee meeting February 9, 1999



# HOUSE INSURANCE COMMITTEE GUEST LIST

DATE: February 4, 1999

NAME	REPRESENTING
Eileen King	Riley Co Treas & KCTA
Bret Landrith	Fairness Kansas
Thomas V. Murry	Insurance Center, Inc 510 Colorado
Pat Morris	KATA
Lee Wright	FARMERS INS.
Ron Becker	myself
Craig Jorgensen	Agents / American Family
Paul Ridgway	Agent - American Family Ins
Kevin Davis	Am Family INS. Co.
Marcy Balster	Division of Vehicles - KDOR
Rich Scheube	Division of Vehicles - KDOR
David Hanson	Ks Assn P&C Cos.
Richard Wilkerson	Farmers Alliance
Wesley Holthaus	Western Reserve
Tom Whitaker	Ks Motor Carriers Assn.
Alan Anderson	KDOR - Vehicles
Ghena Walker	Kansas Dept. of Revenue
Lary Sisson	Kearney Law Office
Bill Sneed	State Farm

HOUSE INSURANCE COMMITTEE GUEST LIST

DATE:     Sep. 4, 1999    

NAME	REPRESENTING
Maggie Keating	KID
Paul Davis	KID
Donald Miles	AP



**Kathleen Sebelius**  
Commissioner of Insurance  
**Kansas Insurance Department**

TO: House Committee on Insurance  
FROM: Kathleen Sebelius, Insurance Commissioner  
RE: H.B. 2066 – Proof of Insurance Coverage  
DATE: February 3, 1999

Mr. Chairman and members of the committee:

I am appearing to support HB 2066, in which Rep. Huff proposes to strengthen the law by requiring proof of insurance to be verified when a driver renews or initially registers a car. Verification can be through one of several documents, and for those Kansans who use the mail for vehicle registration, a photocopy will be accepted.

We have been working with the County Treasurers, through our education efforts, as one way to help enforce the law. (Attached to my testimony is a copy of our new brochure which is now being distributed through county offices).

It does little good to have laws which require mandatory insurance with no enforcement, until there is an accident. In some areas of Kansas, police routinely ask motorists for proof of insurance. However, in other areas, it doesn't happen. Some treasurer's offices ask for an insurance card in order to complete the registration process; others do not. Several years ago, the National Association of Insurance Commissioners completed a survey on uninsured

420 SW 9th Street  
Topeka, Kansas 66612-1678

785 296-3071  
Fax 785 296-2283  
Printed on Recycled Paper

*Kathleen Sebelius*  
*Attachment #1*  
**Consumer Assistance Hotline**  
1 800 432-2484 (Toll Free)

*February 3, 1999*  
*1-#*



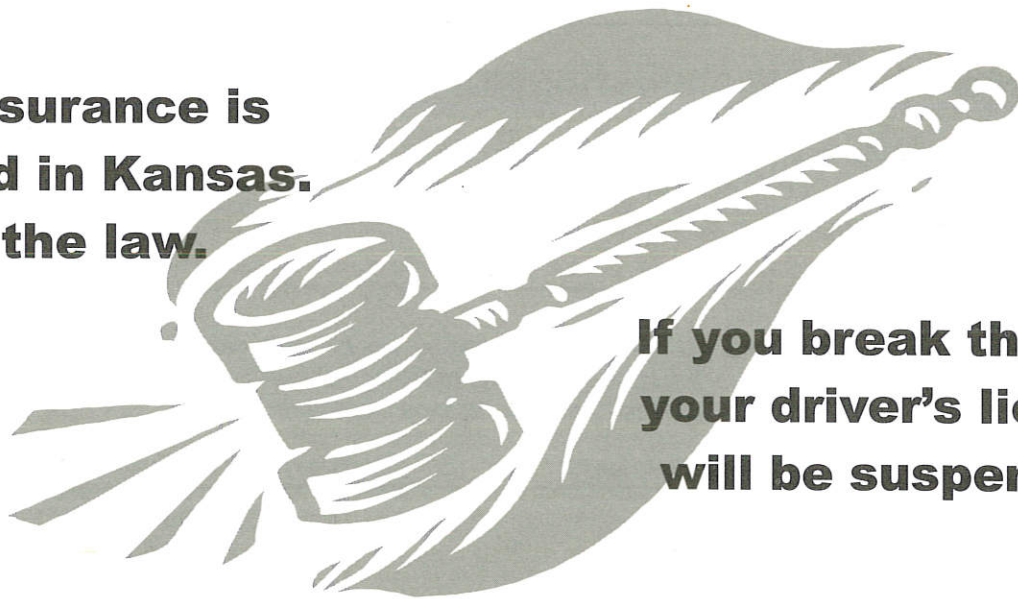
motorists. It asserted that strict enforcement of laws, including and significant fines for first time offenders were the keys in keeping uninsured motorists off the road.

I think our proposals dovetail nicely, and I would urge you to consider this bill favorable for passage.

# You bet you do...

*If you're driving **without** car insurance.*

**Car insurance is  
required in Kansas.  
It's the law.**



**If you break the law,  
your driver's license  
will be suspended.**

# Don't gamble with your license.

## Odds are... You'll lose.

(Hedge your bets, pay for car insurance.)

1-3  
3#

Do you gamble in your car?



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## Need to know about Kansas auto insurance laws?

Read "Kansas Auto Insurance, A Necessity" or the "Auto Insurance Shoppers Guide"  
Published by the Kansas Insurance Department  
Get you free copy by calling 1-800-432-2484 or e-mail [Ksebelius@ins.wpo.state.ks.us](mailto:Ksebelius@ins.wpo.state.ks.us)

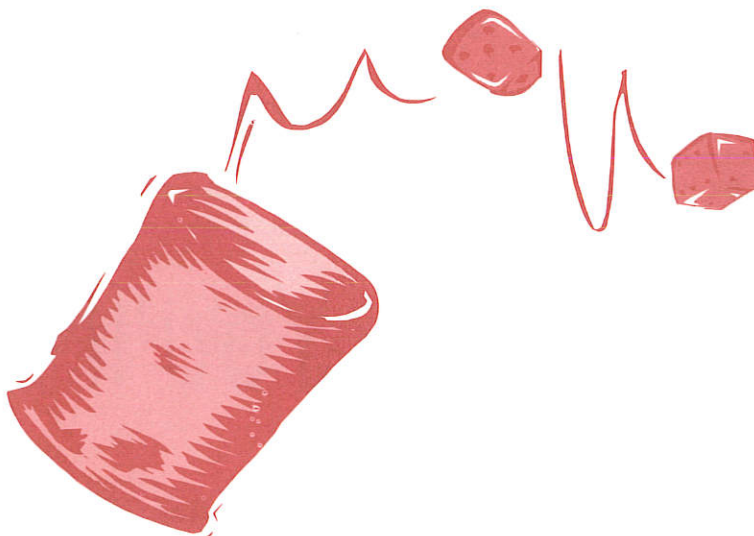
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*This publication was issued as a public service by  
the Kansas Division of Motor Vehicles  
and the Kansas Insurance Department.*

Kansas Department of Revenue  
Division of Motor Vehicles  
Betty McBride, Director  
915 S.W. Harrison St.  
Topeka, KS 66612  
785-296-3601

Kansas Insurance Department  
Kathleen Sebelius, Commissioner  
420 S.W. 9th St.  
Topeka, KS 66612  
785-296-3071

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**DAVID HUFF**  
 REPRESENTATIVE, 30TH DISTRICT  
 CITY OF LENEXA, KANSAS  
 10458 CAENEN LAKE RD.  
 LENEXA, KANSAS 66215  
 (913) 888-7730



TOPEKA

HOUSE OF  
 REPRESENTATIVES

February 4, 1998

COMMITTEE ASSIGNMENTS  
 MEMBER: BUSINESS, COMMERCE, & LABOR  
 TRANSPORTATION  
 LOCAL GOVERNMENT  
 GOV. ORGANIZATION AND ELECTIONS

STATE CAPITOL—RM. 174-W  
 TOPEKA, KANSAS 66612-1504  
 (785) 296-7655

Thank you Mr. Chairman,

If you have ever been involved in an accident with an uninsured motorist, you know the feeling when you find out that he or she has no insurance. It is the state law that all motor vehicle owners must have liability insurance. House Bill 2066 helps reduce the problem of the 150-180 thousand uninsured motorist that are on the Kansas streets every day. By the way, there are 1.6 million of us who have the proper car insurance.

I have personally experienced uninsured motorist getting their license tags at a drivers license bureau. The uninsured motorist made up an insurance number and an insurance company. The county license clerk did not check for a proof of insurance card of any kind. She took the word of the uninsured motorist. This is happening in counties all over the state. If you can obtain tags without actual proof of insurance in person, what do you think could happen if you apply by mail? I have also talked to individuals who without insurance have again made up numbers and insurance companies and received tags by mail. Not always is this a less fortunate person who does not have liability insurance.

The fellow I talked with at the license bureau could well have afforded insurance. He just didn't want to invest in it. HB 2066 just makes it mandatory to show proof liability insurance as you obtain your tags either in person or in the mail. This bill will compliment some of the bills coming from the Insurance Commissioners office in an attempt to reduce the uninsured motorists in Kansas.

David Huff  
 Representative, District 30

*House Comm on Ins.  
 Attachment # 2 21  
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2-2  
2-9

# Monthly automobile insurance just winks at Kansas law

Memo to insurance companies that offer month-to-month auto coverage: Kansas Insurance Commissioner Kathleen Sebelius has some of your customers in her sights.

Sebelius has proposed harsher penalties for the more than 180,000 Kansas drivers who travel the state's roads and highways without insurance. She wants the Kansas Legislature to increase the penalty fee for reinstating a driver's license that has been suspended for not having insurance and for intentionally driving without insurance. Sebelius recently said in Topeka

**RICK  
BABSON**



that current law made it cheaper to pay the \$25 fine than to have the required insurance. She has proposed that the Legislature increase the fine, and she is trying to determine an amount.

She also plans to ask the Legislature to increase the maximum penalties for intentionally driving

without insurance from a \$1,000 fine and six months in jail to a \$2,500 fine and a year in jail.

By law, no one in Kansas can drive without proof of insurance. However, about the only time anyone is required to provide that proof is when obtaining car tags.

For those who can't or won't do the responsible thing, the drill typically includes obtaining a month's worth of insurance just before renewing a car tag, letting the policy lapse and praying that nothing happens the next 11 months.

Sebelius' office is talking to insurance companies about requiring

people to obtain policies for six months or a year, policies that they would be able to pay for on a monthly basis. The Legislature would have to change state law to impose that requirement.

To the approximately 1.6 million of us who drive in the state with the required insurance, an encounter with an uninsured motorist can be a tragedy.

It's highest price is loss of life. At other levels, it can mean injury and loss of income and property. At a minimum, even in a minor accident, the insured driver often is out the amount of the policy's de-

ductible. Another Sebelius proposal would require the insurance company to pay the deductible in such an event.

Sebelius hit the nail on the head when she recently said, "If you can't pay for minimum insurance, maybe you shouldn't be driving." She's also right that for those who drive without insurance, the punishment should be stiffer.

*Rick Babson's column appears Wednesdays in Johnson County Business. Call him at 8161234-7700 or send an e-mail message, including a return phone number, to [babson@kcstar.com](mailto:babson@kcstar.com).*

**PROOF OF INSURANCE - PLACE IN YOUR VEHICLE**

AMERICAN STANDARD INSURANCE COMPANY OF WISCONSIN  
MADISON, WISCONSIN 53783-0001

**KANSAS MOTOR VEHICLE  
PROOF OF INSURANCE CARD**

Policy No: 1508-5313-01-67-SPPA-KS  
Eff Date: 10-11-1998 Exp Date: 4-11-1999  
1995 LINC SES VIN: 1LNLM82W9SY739756  
Coverages: BI-PD UM UIM COMP COLL PIP ERS  
HUFF, DAVID AND PATRICIA  
10458 CAENEN LAKE RD  
LENEXA KS 66215-2154

Agent: CRAIG JORGENSEN  
Agent Phone: (913) 888-7117

This card must be carried in the insured motor vehicle  
for production upon demand.  
Important message on reverse side.

**PROOF OF INSURANCE - RETAIN FOR FUTURE REFERENCE**

AMERICAN STANDARD INSURANCE COMPANY OF WISCONSIN  
MADISON, WISCONSIN 53783-0001

**KANSAS MOTOR VEHICLE  
PROOF OF INSURANCE CARD**

Policy No: 1508-5313-01-67-SPPA-KS  
Eff Date: 10-11-1998 Exp Date: 4-11-1999  
1995 LINC SES VIN: 1LNLM82W9SY739756  
Coverages: BI-PD UM UIM COMP COLL PIP ERS  
HUFF, DAVID AND PATRICIA  
10458 CAENEN LAKE RD  
LENEXA KS 66215-2154

Agent: CRAIG JORGENSEN  
Agent Phone: (913) 888-7117

In IN & MO only, use this card along with your  
application for registration of your vehicle.

2-3  
2-9



# State of Kansas Vehicle Registration Application

Insurance information must be provided below.

											Insurance Company Name (Required) <b>AMERICAN FAMILY</b>
Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Policy Number (Required) <b>1508-6313-01-67 KS</b>
Tax Value/RV,EW	Property Tax/RV	Reg/Ofc Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		*Signature Of Owner (Required) <b>X [Signature]</b>	
											Insurance Company Name (Required)
Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Policy Number (Required)
Tax Value/RV,EW	Property Tax/RV	Reg/Ofc Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		*Signature Of Owner (Required) <b>X</b>	
											Insurance Company Name (Required)
Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Policy Number (Required)
Tax Value/RV,EW	Property Tax/RV	Reg/Ofc Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		*Signature Of Owner (Required) <b>X</b>	

DETACH ALONG PERFORATION

\*By my signature, I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bona fide place of business in this county and I have in effect financial security as required by law.

\*By my signature I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bona fide place of business in this county and I have in effect financial security as required by law.

\*By my signature, I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bona fide place of business in this county and I have in effect financial security as required by law.

ENCLOSE CHECK/  
MONEY ORDER and  
return in attached

AMERICAN STANDARD INSURANCE COMPANY OF WISCONSIN  
MADISON, WISCONSIN 53783-0001

**KANSAS MOTOR VEHICLE  
PROOF OF INSURANCE CARD**

Policy No: 1508-5313-01-67-SPPA-KS  
Eff Date: 10-11-1998 Exp Date: 4-11-1999  
1995 LINC SES VIN: 1LNLM82W9SY739756  
Coverages: BI-PD UM UIM COMP COLL PIP ERS  
HUFF, DAVID AND PATRICIA  
10458 CAENEN LAKE RD  
LENEXA KS 66215-2154

Agent: CRAIG JORGENSEN  
Agent Phone: (913) 888-7117

In IN & MO only, use this card along with your  
application for registration of your vehicle.

**MONEY ORDER AND  
return in attached**

Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Status	Gross Weight/Class
Tax Value/RV,EW		Property Tax/RV		Reg/Dtr Fees		ARC/DS Fee		TOTAL AMOUNT DUE	EXPIRATION DATE	Local Base Point
Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Status	Gross Weight/Class
Tax Value/RV,EW		Property Tax/RV		Reg/Dtr Fees		ARC/DS Fee		TOTAL AMOUNT DUE	EXPIRATION DATE	Local Base Point

Fold  
Here →

PLEASE FOLD THIS SIDE IN  
For your everyday insurance needs, contact your agent

← Fold  
Here

PLEASE FOLD THIS SIDE IN  
For your everyday insurance needs, contact your agent

Your policy affords coverage and claim service in the United States and Canada.

Your policy affords coverage and claim service in the United States and Canada.

**INSURANCE SERVICE CARDS**

▲ NOT VALID FOR PROOF OF INSURANCE ▲

▲ **INSURANCE SERVICE CARDS** ▲

We are providing personalized motor vehicle insurance service cards as an added service to our policy holders. These service cards identify you as a policyholder and give procedures to follow in the event of an accident.

These cards are **not** intended to serve as "Proof of Insurance". That documentation is provided below. It is advisable to carry a service card with you at all times.

▼ **PROOF OF INSURANCE** ▼

**PROOF OF INSURANCE - REMOVE AND PLACE IN YOUR VEHICLE**

**INSURANCE SERVICE CARDS**

▲ NOT VALID FOR PROOF OF INSURANCE ▲

*New Car, will fill out  
and sign from agent*

▼ **PROOF OF INSURANCE** ▼

Many states require the presentation of "Proof of Insurance" when applying for motor vehicle registration. Some states also require that you carry "Proof of Insurance" in your vehicle at all times and present this proof to law enforcement officers upon request. The documents below will satisfy the terms of the law in your state.

Please check the computer-generated information on the cards to verify its accuracy.

**PROOF OF INSURANCE - REMOVE AND SAVE FOR FUTURE REFERENCE**

*2-6  
6-9*



# Two die in head-on crash on Metcalf

By STACY DOWNS  
The Kansas City Star

Two women were killed when their cars collided head-on Tuesday afternoon on Metcalf Avenue in Kansas City.

Colleen Haskell, 25, of Kansas City, Kan., was driving south about half-mile south of Interstates 35 and 635 about 1:20 p.m. when her

car crossed the 10-foot grass median into the northbound lanes, police said. Haskell's car collided with one driven by Mary Crist, 54, of Parkville.

Crist was pinned inside her car and pronounced dead at the scene, Johnson County Med-Act officials said. Haskell was pronounced dead after rescue workers tried to resuscitate her. There were no passen-

gers in either car.

Kansas motor vehicle records show that Haskell had had a number of driving violations, ranging from not having car insurance to driving with a suspended license. Her license was revoked in 1995 and in 1997. Authorities would not say Tuesday whether she had a valid driver's license at the time of the accident.

Traffic was heavy at the time of the accident, which occurred in the 5400 block of Metcalf Avenue in front of the AT&T building. Two other cars swerved into each other as they tried to avoid the collision, but no one was injured.

For more than two hours after the accident, both northbound lanes on Metcalf were closed at 56th Street, shutting down access to I-35

and I-635. One southbound lane of Metcalf also was closed.

Police said they did not know why Haskell crossed the median or how fast the two cars were traveling. Officers said they would continue their investigation today.

To reach Stacy Downs, call (816) 234-7716 or send e-mail to [sdowns@kcstar.com](mailto:sdowns@kcstar.com)



CRAIG JORGENSEN AGENCY  
12715 W. 87th St., Suite 102  
Lenexa, Ks. 66215  
Office: 888-7117 Home: 888-1303  
Fax: 913-888-8364

Feb. 4. 1999

Mr. Robert Tomlinson  
Chairman - House Insurance Committee  
Topeka, Ks.

Dear Bob,

Thank you for allowing us to testify today regarding uninsured motorists and mandatory insurance. Our feelings are those that are expressed to us by our insureds and people that we work with that experience the problems of being involved with drivers without insurance.

We feel that the state needs to keep better records on the people who drive without insurance and make the penalty much more severe than simply filing a SR22 filing and paying a minimum fine.

Many of the autos that are uninsured are driven by the drivers with the poorest records. They go without because they can't afford it due to their records. When they cause an accident an innocent person and their insurance company must cover the loss under the uninsured motorist coverage for bodily injury and the collision coverage (if they have it) for the property damage. The insured pays their deductible. These losses run into the millions of dollars each year. Our company pays well over \$2,000,000 per year in uninsured motorist claims and we do not have a large market share. This amount does not cover the cost of trying to recover on these claims or to recover our insured's deductibles. The public also suffers through lost time, lost money and frustration in not being compensated by someone who was breaking the law. These uninsured motorists are committing a crime that costs the victim hundred's and thousand's of dollars and they pay no heavy fine, no jail time, just a small SR22 filing fee. In the long run this affects the rates for all companies and policyholders in Kansas.

As you can see by the attached registration renewal the only insurance information request is a company name and policy number. A person could use old or false information and no check is normally made. Why not require a copy of a persons current insurance card be attached to the renewal request? All companies provide them at renewal time or at the time of purchase of a policy.

ATTACHMENT # 3  
February 4, 1999  
House Insurance Comm.  
3-1  
HTD



When someone can't provide proof of insurance in a timely matter for whatever reason, the fine for this should be significant enough to make it a higher priority to carry insurance protection. A fine similar to one year's premium for a marginal driver would be a incentive to some of today's uninsured.

Driving should be a privilege, not a right. Part of driving should be obeying all of the laws, including providing insurance or financial responsibility.

Please review the attached information and see if you don't agree. Thank you very much!

Sincerely,

Craig Jorgensen

3-3  
3-1

# State of Kansas Vehicle Registration Application

0004371 AV Insurance information must be provided below.

<b>VEHICLE #1</b>												0004371 AV	Insurance Company Name (Required) <b>American Family</b>
	Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Policy Number (Required)	
	<b>JH4KA7664RC025407</b>	<b>JLB359</b>	<b>AU</b>	<b>ST</b>	<b>ACUR</b>		<b>4D</b>	<b>94</b>	<b>25</b>	<b>JO</b>	<b>00000N</b>	<b>1500-9656-01</b>	
Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		*Signature Of Owner (Required)			
<b>4927.36</b>	<b>551.89</b>	<b>27.25</b>	<b>0.00</b>	<b>579.14</b>		<b>02/28/98</b>				<b>X Craig Jorgensen</b>			
<b>VEHICLE #2</b>													Insurance Company Name (Required) <b>American Family</b>
	Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Policy Number (Required)	
	<b>1HGCD723XTA019561</b>	<b>LEE613</b>	<b>AU</b>	<b>ST</b>	<b>HOND</b>		<b>2D</b>	<b>96</b>	<b>17</b>	<b>JO</b>	<b>00000N</b>	<b>1500-9656-03</b>	
Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		*Signature Of Owner (Required)			
<b>3378.75</b>	<b>378.44</b>	<b>27.25</b>	<b>0.00</b>	<b>405.69</b>		<b>02/28/98</b>				<b>X Craig Jorgensen</b>			
<b>VEHICLE #3</b>													Insurance Company Name (Required)
	Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Policy Number (Required)	
Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		*Signature Of Owner (Required)			
										<b>X</b>			

**DETACH ALONG PERFORATION**

\*By my signature, I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bonafide place of business in this county and I have in effect financial security as required by law.

\*By my signature I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bonafide place of business in this county and I have in effect financial security as required by law.

\*By my signature, I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bonafide place of business in this county and I have in effect financial security as required by law.

AMERICAN HONDA FINANCE CORP  
8150 ROSEHILL RD  
LENEXA KS 66215-2633

C/O JORGENSEN CRAIG H

ENCLOSE CHECK/  
MONEY ORDER and  
return in attached  
envelope.

3-4  
477



American Family Mutual Insurance Company  
American Standard Insurance Company of WI  
Madison, Wisconsin 53783-0001

KANSAS MOTOR VEHICLE LIABILITY  
INSURANCE CERTIFICATE - PHONE 608-249-2111

POLICY NUMBER 48-X99915 FLT # 0003611

EFFECTIVE DATE 01-01-95 EXPIRATION DATE 01-01-96

94 PONT GRA VIN NUMBER 1G2WJ52M5RF246206  
COVERAGES: BI-PD ME COMP COLL UM UIM

This card must be carried in the insured motor vehicle for production upon demand.  
Important message on reverse side.

GRAHAM , RICHARD L  
1300 SW ARROWHEAD  
TOPEKA, KS 66604-4023

U-339 Ed. 9/91 (REN'L)



American Family Mutual Insurance Company  
American Standard Insurance Company of WI  
Madison, Wisconsin 53783-0001

KANSAS MOTOR VEHICLE LIABILITY  
INSURANCE CERTIFICATE - PHONE 608-249-2111

POLICY NUMBER 48-X99915 FLT # 0003611

EFFECTIVE DATE 01-01-95 EXPIRATION DATE 01-01-96

94 PONT GRA VIN NUMBER 1G2WJ52M5RF246206  
COVERAGES: BI-PD ME COMP COLL UM UIM

GRAHAM , RICHARD L  
1300 SW ARROWHEAD  
TOPEKA, KS 66604-4023

Use this card along with your application for registration of your vehicle.

Stock No. 12215



**In case of an accident anywhere...**

- 1. Identify yourself to other parties involved and offer any required emergency assistance.
- 2. Get names and addresses of other parties involved and all witnesses including driver and any passengers in other vehicles.
- 3. Avoid discussing the details of the accident with anyone except authorities. Make no admissions and take no blame for accident.
- 4. Do not sign a statement concerning the accident except for authorities or an authorized representative of your insurance company.
- 5. Notify **Police** and your **Agent** about every accident.

**In case of serious accident or injury...**

**AT or NEAR** your **HOME** area, notify the company by contacting the local American Family CLAIM OFFICE or your agent immediately.

**AWAY FROM** your **HOME** area, notify the company by

- contacting the American Family CLAIM OFFICE if located in the area of the accident or
- dialing toll free 1-800-241-2541.



NOT VALID FOR PROOF OF INSURANCE

▲ TEAR HERE ▲

**In case of an accident anywhere...**

- 1. Identify yourself to other parties involved and offer any required emergency assistance.
- 2. Get names and addresses of other parties involved and all witnesses including driver and any passengers in other vehicles.
- 3. Avoid discussing the details of the accident with anyone except authorities. Make no admissions and take no blame for accident.
- 4. Do not sign a statement concerning the accident except for authorities or an authorized representative of your insurance company.
- 5. Notify **Police** and your **Agent** about every accident.

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- contacting the American Family CLAIM OFFICE if located in the area of the accident or
- dialing toll free 1-800-241-2541.



NOT VALID FOR PROOF OF INSURANCE

▲ TEAR HERE ▲

**PROOF OF INSURANCE**  
Remove and save for future reference

**Important Information**

Examine Policy exclusions carefully. This form does not constitute any part of your insurance policy or bond. If this is a "Basic Car Policy" it may not provide coverage for vehicles you do not own. Except in Kansas, this policy does not provide coverage if the operator is an excluded person.

Various states require that you present "proof of insurance" when applying for the registration of your motor vehicle and some states require that you carry "proof of insurance" in your motor vehicle at all times and present this proof to a law enforcement officer upon request.

If you carry the coverages required by state law, the limits represented by this card meet or exceed the minimum financial responsibility requirements. If you do not carry or if you discontinue the required coverages, this Proof of Insurance is not valid. This coverage automatically extends to a newly acquired car until a new card can be issued.

**ARIZONA POLICYHOLDERS:** Coverage meets the limits required by law. Arizona law requires evidence of insurance be carried in the vehicle at all times.

**Note:** This Insurance Certificate is issued solely to satisfy the terms of the law in your state.

The policy term shown on this Insurance Certificate is subject to the insured's compliance with the general policy provisions.

**PROOF OF INSURANCE**  
Remove and place in your vehicle

**Important Information**

Examine Policy exclusions carefully. This form does not constitute any part of your insurance policy or bond. If this is a "Basic Car Policy" it may not provide coverage for vehicles you do not own. Except in Kansas, this policy does not provide coverage if the operator is an excluded person.

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If you carry the coverages required by state law, the limits represented by this card meet or exceed the minimum financial responsibility requirements. If you do not carry or if you discontinue the required coverages, this Proof of Insurance is not valid. This coverage automatically extends to a newly acquired car until a new card can be issued.

**ARIZONA POLICYHOLDERS:** Coverage meets the limits required by law. Arizona law requires evidence of insurance be carried in the vehicle at all times.

**Note:** This Insurance Certificate is issued solely to satisfy the terms of the law in your state.

The policy term shown on this Insurance Certificate is subject to the insured's compliance with the general policy provisions.

Small vertical text on the left edge of the page.

Handwritten numbers 3-5 and 5-10 in the bottom right corner.

Fold  
Here →

PLEASE FOLD THIS SIDE IN  
For your everyday insurance needs, contact your agent

PLEASE FOLD THIS SIDE IN  
For your everyday insurance needs, contact your agent

← Fold  
Here

Your policy affords coverage and claim service in the United States and Canada.

Your policy affords coverage and claim service in the United States and Canada.

**INSURANCE SERVICE CARDS**  
▲ NOT VALID FOR PROOF OF INSURANCE ▲

**INSURANCE SERVICE CARDS**  
▲ NOT VALID FOR PROOF OF INSURANCE ▲

▲ **INSURANCE SERVICE CARDS** ▲

We are providing personalized motor vehicle insurance service cards as an added service to our policy holders. These service cards identify you as a policyholder and give procedures to follow in the event of an accident.

These cards are **not** intended to serve as "Proof of Insurance". That documentation is provided below. It is advisable to carry a service card with you at all times.

▼ **PROOF OF INSURANCE** ▼

▼ **PROOF OF INSURANCE** ▼

Many states require the presentation of "Proof of Insurance" when applying for motor vehicle registration. Some states also require that you carry "Proof of Insurance" in your vehicle at all times and present this proof to law enforcement officers upon request. The documents below will satisfy the terms of the law in your state.

Please check the computer-generated information on the cards to verify its accuracy.

**PROOF OF INSURANCE - REMOVE AND PLACE IN YOUR VEHICLE**

**PROOF OF INSURANCE - REMOVE AND SAVE FOR FUTURE REFERENCE**

3-6  
6-10

# Loophole lets risky drivers stay on road

*They buy insurance for 1 month to get plates, then drive without it*

By Phil LaCerte  
Sun Staff Writer

Bob doesn't jump out of airplanes. He doesn't hang glide, cliff-dive or spelunk.

But he still qualifies as a risk taker.

The full-time student at Johnson County Community College is one of presumably thousands of Kansans who knowingly drive without insurance.

Not only does he stand to pay some severe penalties if he's caught, Bob also would be held financially responsible for any damages he causes in a wreck. That's not only damages to the car, but to its occupants, and with the cost of health care today, the liability could be tremendous.

How does Bob justify the risk?

He says he has to drive to keep his job. And, he has to keep his job to fund his education, as he works toward a degree in accounting.

He says his lack of insurance actually has made him a more careful driver. He figures as long as he's not in a wreck or pulled over for a traffic infraction, he can drive 11 months a year without insurance.

Bob's right.

Ken Clark, spokesman for the Kansas Department of Revenue, said Kansas no longer requires insurance companies to notify the state when an automobile insurance policy lapses. It was impossible, he said, for the state to compel out-of-state insurance companies to comply.

That opened a window of opportunity for risk-takers like Bob.

When he recently bought a dented old Ford Mustang, he

also purchased automobile insurance, and paid a one-month premium. He used his insurance policy number to obtain license plates, then let his insurance lapse.

"If I get in a wreck, I'll run if I can," he said.

Clark said there probably are thousands of drivers like Bob, perhaps as many as one percent of Kansas' driving population. Officials with the Kansas Department of Insurance estimated it a different way. Of all vehicles on the road in 1994, 5.1 percent of them were uninsured, the KDI said. That amounted to 152,079 of the 2.2 million cars on the road last year.

Mike Medina, manager of Roe Body Shop in Roeland Park, says a day hardly passes where he doesn't hear from a customer who collided with an uninsured motorist.

"It's very widespread," Medina said.

Medina deals so frequently with the victims of uninsured motorists, he has demanded that his son keep full insurance coverage on his vehicle, which has more than 200,000 miles on it.

Jim Allen, a State Farm Insurance agent, said maintaining full coverage on a vehicle was the best way to protect oneself from an uninsured motorist. Even then, the victim still would be responsible for picking up the deductible, typically at least \$250. Drivers also can buy uninsured motorist coverage, but it only would pay for the victim's pain and suffering, and medical bills, not for damages to the car.

Clark said Bob's ruse was common. Also common: Using a policy number from a lapsed in-

urance policy to obtain license plates. Insurance data supplied by motorists to obtain tags is not checked by the Department of Revenue, which administers the Motor Vehicle Department. Clark said there were about 2 million cars registered each year in Kansas.

About the only time cheaters are caught is if they're involved in an accident or pulled over by police for another traffic violation. Police have authority to ask drivers to provide proof of insurance, though some departments are more aggressive than others. Lenexa police, for example, routinely ask motorists for proof of insurance. In Shawnee, it's up to the individual officers, unless an accident has occurred, then proof of insurance is demanded.

Those failing to provide proof of insurance are given traffic citations. If they can prove during court that they had insurance on the day they were stopped, the charge is dismissed. If they cannot provide proof, they face penalties of up to \$1,000 and a maximum six month jail term. Anyone convicted of a second offense within three years faces fines of up to \$2,500 and a maximum one-year jail term. Plus, conviction on a charge of driving without insurance triggers an automatic suspension of the offender's driver's license. And, anyone who has been convicted of such a charge will find it both more difficult and more expensive to obtain insurance in the future.

"What people have to consider is that if they get caught, it'll cost them more than if they had just done things legally in the first place," Clark said.

Your  
American  
Family  
Agent

CRAIG JORGENSEN  
12715 W. 87TH PARKWAY, SUITE 102  
LENEXA, KANSAS 66215  
PHONE: 913 - 888 - 7117



MEMBER ALL AMERICAN CLUB



Claim # 041-172906

Adjustor - Susie Reed + Ron McClary

Claimant was leaving Riverboat from gambling highly intoxicated, driving '77 Mercury

Dr. Chow was in his last year of internship at KU - Age 30 - Has thousands and many years invested in his education

He was hurt badly, passenger was worse

Suit has been filed by him + us vs. the Claimant, but she has no assets.

Claimant has only paid vehicle fines and still drives today.

1/4  
3-8

# Monthly automobile insurance just winks at Kansas law

Memo to insurance companies that offer month-to-month auto coverage: Kansas Insurance Commissioner Kathleen Sebelius has some of your customers in her sights.

Sebelius has proposed harsher penalties for the more than 180,000 Kansas drivers who travel the state's roads and highways without insurance. She wants the Kansas Legislature to increase the penalty fee for reinstating a driver's license that has been suspended for not having insurance and for intentionally driving without insurance. Sebelius recently said in Topeka

**RICK  
BABSON**



that current law made it cheaper to pay the \$25 fine than to have the required insurance. She has proposed that the Legislature increase the fine, and she is trying to determine an amount.

She also plans to ask the Legislature to increase the maximum penalties for intentionally driving

without insurance from a \$1,000 fine and six months in jail to a \$2,500 fine and a year in jail.

By law, no one in Kansas can drive without proof of insurance. However, about the only time anyone is required to provide that proof is when obtaining car tags.

For those who can't or won't do the responsible thing, the drill typically includes obtaining a month's worth of insurance just before renewing a car tag, letting the policy lapse and praying that nothing happens the next 11 months.

Sebelius' office is talking to insurance companies about requiring

people to obtain policies for six months or a year, policies that they would be able to pay for on a monthly basis. The Legislature would have to change state law to impose that requirement.

To the approximately 1.6 million of us who drive in the state with the required insurance, an encounter with an uninsured motorist can be a tragedy.

It's highest price is loss of life. At other levels, it can mean injury and loss of income and property. At a minimum, even in a minor accident, the insured driver often is out the amount of the policy's de-

ductible. Another Sebelius proposal would require the insurance company to pay the deductible in such an event.

Sebelius hit the nail on the head when she recently said, "If you can't pay for minimum insurance maybe you shouldn't be driving. She's also right that for those who drive without insurance, the punishment should be stiffer.

*Rick Babson's column appears Wednesdays in Johnson County Business. Call him at 816/234-7700 or send an e-mail message, including a return phone number, to [babson@kcstar.com](mailto:babson@kcstar.com).*



# Huff proposal aims at getting uninsured drivers off the road

**XBY STEVE BASKA**

SUN STAFF WRITER

Rep. David Huff (R-Lenexa) plans to introduce a bill in the Kansas House in January to stop uninsured drivers from getting on the road, he said Thursday.

It's too easy now to ignore the state law that requires all drivers to have liability insurance, the type that pays for damages when a driver is at fault for hitting another car, Huff said.

"There are between 150,000 and 180,000 uninsured drivers in Kansas," Huff said.

There are two ways people get around the law when they go to register their car and get license tags at the county's Vehicle Registration offices in Mission and Olathe. Some people simply lie when asked by the clerk for the name of their insurance company and policy number. Other people take out an insurance policy and pay for it only for one month, then drop it.

"It's not just poor people who don't want to pay for insurance, it's also people with bad driving records who have to pay high amounts for insurance," Huff said.

Huff is studying whether to draft the bill to require insurance companies doing business in Kansas to sell liability insurance for a minimum up-front payment that would cover either three months or six months of a policy.

"Insurance companies would love to sell for a one-year minimum payment, but many people cannot afford that," he said.

Kansas Insurance Commissioner Kathleen Sebelius has said she is discussing similar concepts of larger minimum payments with insurance companies. Huff said he planned to meet with Sebelius to get her input. Sebelius also said she planned to seek increases in fines for people caught driving without insurance. The fine currently is \$25.



**Huff**

## **Colorado's uninsured drivers could lose plates**

*Rocky Mountain News, March 18*

The Colorado House has given preliminary approval to a bill to create an uninsured motorist computer database to identify the approximately 30 percent of Colorado motorists who drive without auto insurance. The bill also provides for tougher enforcement of the compulsory auto insurance law by allowing police officers to confiscate license plates of uninsured motorists and implement fines for the use of counterfeit insurance cards as proof of insurance.

American Family Insurance Group  
1300 SW Arrowhead Road  
PO Box 4384  
Topeka, Kansas 66604-0384  
Phone (785) 273-5120



**Kevin R. Davis**  
Government Affairs Counsel

February 4, 1999

To: Chairman Tomlinson and  
The House Insurance Committee

From: Kevin R. Davis

Subject: House Bill 2066

American Family is in support of HB 2066 as an attempt to reduce the opportunities for individuals to license or re-register their vehicles without proper insurance or other financial security in place. Representative Huff and several of our agents have given good examples of problems with the current system of self certification. While I am not sure it can be quantified or projected how many uninsured drivers this would affect, it may raise the level of awareness and the need for actually having and maintaining insurance coverage when licensing or re-registering a vehicle.

The number of uninsured drivers in Kansas has been debated with estimates from four to fourteen percent or higher. American Family consistently ranks in the top five automobile insurance writers in State of Kansas and in 1998 our premium volume was around thirteen percent of the total market in Kansas. The claim losses which we paid for uninsured motorist coverage for 1998 was over \$1,840,000. Assuming other carriers had losses similar to ours, we are looking at uninsured claims losses in excess of \$14,000,000 caused by uninsured drivers in Kansas.

Given this background of the problem, we do support this bill but would suggest and offer several friendly amendments. The first concern I have is that an applicant, upon their initial application for coverage, may not immediately receive the insurance card necessary to prove coverage and apply for registration of their vehicle. American Family can produce a temporary card, attached, for this purpose. I certainly cannot speak whether all companies issuing coverage can produce the same document, however, they probably can produce some form of proof of insurance when an applicant initially obtains coverage so that they can get their license right away. Therefore, since an insurance card may not always be immediately available, we would

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February 4, 1999  
House Insurance Comm.  
4/1  
1-9

recommend that the language shown in Amendment 2, be added to page one, line 38, (see the attached balloon Amendment 2)

This gives the option, in addition to an insurance card, of some other proof of financial responsibility in the form prescribed by the director of motor vehicles. This amendment would allow the director to specify that other evidence, such as an insurance policy, certificate of insurance, insurance binder, or written certification from an insurance company, could satisfy the proof requirement in an alternative manner.

The second concern that we would address relates to the certification by the applicant for registration, that they have insurance or financial security. The current language in K.S.A. 1998 Supp. 40-3118, which is section two of this bill, requires that an owner certify, which means to attest in writing as being true, that they have the required financial security. The amendment found on page two, lines nine and ten indicates that the owner certify, "in the manner prescribed by K.S.A. 8-173, and amendments thereto" which is the amendment proposed on page one of this bill and as written only requires the showing of the card. The fear that I have is that this language may remove the current requirement that the owner actually certifies that the proof of insurance which they offer upon registration, is valid and will actually be maintained during the period of registration of the vehicle.

This problem can be clarified by insertion of the language in section one of the bill, as shown in my proposed Amendment 1 in the balloon on page one, and/or my proposed Amendment 3 to page two of the bill as shown in the balloon on line nine. Two other reasons for this request include to make certain that if an applicant is providing an insurance card they swear that it is valid and will remain in force during the term of the registration. This will also make this amendment consistent with the balance of K.S.A. 1998 Supp. 40-3118 regarding criminal penalties for false certification found on page four of the bill, lines 41 through 43 and page five, lines one through five. We certainly would not want this bill to provide a loophole which eliminates or allows any violator to escape punishment for failing to have insurance coverage even though they may have presented an insurance card.

For your information I have attached a copy of an American Family proof of insurance card, Kansas Vehicle Registration Application (showing the certification to be signed by the owner of the vehicle), and the Kansas Title and Registration Application or receipt which is received when a vehicle is registered. These last two documents contain certifications regarding the requirement of financial security.

The amendments which I offered are conceptual in nature and I would certainly defer to the reviser to appropriately craft the language as necessary to accomplish the purpose intended.

There is certainly the possibility during the initial start-up of any change in the registration process that a number of citizens making application for their vehicle will not bring their insurance card or other proof of insurance. This could cause some disruption and

displeasure among those people. Obviously it would be necessary to provide notice of the change in procedure when the annual registration application was sent for renewal.

I do not believe that it is possible to keep those who defraud or otherwise circumvent the system from continuing to do so. However, this additional requirement may assist in reducing the number of uninsured drivers in the State of Kansas.

We ask that you consider our suggestions for amendment and would support the bill and the intent of this legislation.

Attachments

GOVAFF/HB2066 LTR



## HOUSE BILL No. 2066

By Representative Huff

1-20

9 AN ACT concerning motor vehicle insurance; relating to proof of cov-  
10 erage; amending K.S.A. 8-173 and K.S.A. 1998 Supp. 40-3118 and  
11 repealing the existing sections.

12  
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 8-173 is hereby amended to read as follows: 8-173.  
15 (a) An application for registration of a vehicle as provided in article 1 of  
16 chapter 8 of the Kansas Statutes Annotated and amendments thereto,  
17 shall not be accepted unless the person making such application shall  
18 exhibit:

19 (1) A receipt showing that such person has paid all personal property  
20 taxes levied against such person for the preceding year, including taxes  
21 upon such vehicle, except that if such application is made before June 21  
22 such receipt need show payment of only one-half the preceding year's  
23 tax; or

24 (2) evidence that such vehicle was assessed for taxation purposes by  
25 a state agency, or was assessed as stock in trade of a merchant or manu-  
26 facturer or was exempt from taxation under the laws of this state.

27 (b) An application for registration of a vehicle as provided in article  
28 1 of chapter 8 of the Kansas Statutes Annotated shall not be accepted if  
29 the records of the county treasurer show that the applicant is delinquent  
30 and owes personal property taxes levied against the applicant for any  
31 preceding year.

32 (c) *An application for registration or renewal of registration of a ve-*  
33 *hicle shall not be accepted if the applicant is unable to provide proof of*  
34 *the insurance, self insurance or other financial security required by article*  
35 *31 of chapter 40 of the Kansas Statutes Annotated. Proof of insurance*  
36 *shall be verified by examination of the insurance card issued by an in-*  
37 *urance company, a certificate of self insurance issued by the commis-*  
38 *sioner or a policy of insurance required by K.S.A. 40-3104, and amend-*  
39 *ments thereto. Examination of a photocopy of any of these documents*  
40 *shall suffice for verification of mail registration or renewals.*

41 Sec. 2. K.S.A. 1998 Supp. 40-3118 is hereby amended to read as  
42 follows: 40-3118. (a) No motor vehicle shall be registered or reregistered  
43 in this state unless the owner, at the time of registration, has in effect a

### Amendment 1

An application for registration or renewal of registration of a vehicle shall not be accepted until the applicant/owner or his authorized agent, signs an affidavit provided by the director of motor vehicles certifying that the applicant/owner has and will maintain during the period of registration the required insurance, self insurance, or other financial security prescribed in K.S.A. 1998 Supp. 40-3104

### Amendment 2

or some other proof of financial responsibility in the form prescribed by the director of motor vehicles.

policy of motor vehicle liability insurance covering such motor vehicle, as provided in this act, or is a self-insurer thereof, or the motor vehicle is used as a driver training motor vehicle, as defined in K.S.A. 72-5015, and amendments thereto, in an approved driver training course by a school district or an accredited nonpublic school under an agreement with a motor vehicle dealer, and such policy of motor vehicle liability insurance is provided by the school district or accredited nonpublic school. As used in this section, the term "financial security" means such policy or self-insurance. The director shall require that the owner certify, in the manner prescribed by K.S.A. 8-173, and amendments thereto, that the owner has such financial security, and the owner of each motor vehicle registered in this state shall maintain financial security continuously throughout the period of registration. In addition, when an owner certifies that such financial security is a motor vehicle liability insurance policy meeting the requirements of this act, the director may require that the owner or owner's insurance company produce records to prove the fact that such insurance was in effect at the time the vehicle was registered and has been maintained continuously from that date. Failure to produce such records shall be prima facie evidence that no financial security exists with regard to the vehicle concerned. It shall be the duty of insurance companies, upon the request of the director, to notify the director within 30 calendar days of the date of the receipt of such request by the director of any insurance that was not in effect on the date of registration and maintained continuously from that date.

**Amendment 3**  
and provide verification of financial security.

(b) Except as otherwise provided in K.S.A. 40-276, 40-276a and 40-277, and amendments thereto, and except for termination of insurance resulting from nonpayment of premium or upon the request for cancellation by the insured, no motor vehicle liability insurance policy, or any renewal thereof, shall be terminated by cancellation or failure to renew by the insurer until at least 30 days after mailing a notice of termination, by certified or registered mail or United States post office certificate of mailing, to the named insured at the latest address filed with the insurer by or on behalf of the insured. Time of the effective date and hour of termination stated in the notice shall become the end of the policy period. Every such notice of termination sent to the insured for any cause whatsoever shall include on the face of the notice a statement that financial security for every motor vehicle covered by the policy is required to be maintained continuously throughout the registration period, that the operation of any such motor vehicle without maintaining continuous financial security therefor is a class B misdemeanor and that the registration for any such motor vehicle for which continuous financial security is not provided is subject to suspension and the driver's license of the owner thereof is subject to suspension.

(c) The director of vehicles shall verify a sufficient number of insurance certifications each calendar year as the director deems necessary to insure compliance with the provisions of this act. The owner or owner's insurance company shall verify the accuracy of any owner's certification upon request, as provided in subsection (a).

(d) In addition to any other requirements of this act, the director shall require a person to acquire insurance and for such person's insurance company to maintain on file with the division evidence of such insurance for a period of one year when a person has been convicted in this or another state of any of the violations enumerated in K.S.A. 8-285, and amendments thereto.

The director shall also require any driver whose driving privileges have been suspended pursuant to this section to maintain such evidence of insurance as required above.

The company of the insured shall immediately mail notice to the director whenever any policy required by this subsection to be on file with the division is terminated by the insured or the insurer for any reason. The receipt by the director of such termination shall be prima facie evidence that no financial security exists with regard to the person concerned.

No cancellation notice shall be sent to the director if the insured adds or deletes a vehicle, adds or deletes a driver, renews a policy or is issued a new policy by the same company. No cancellation notice shall be sent to the director prior to the date the policy is terminated if the company allows a grace period for payment until such grace period has expired and the policy is actually terminated.

For the purposes of this act, the term "conviction" includes pleading guilty or *nolo contendere*, being convicted or being found guilty of any violation enumerated in this subsection without regard to whether sentence was suspended or probation granted. A forfeiture of bail, bond or collateral deposited to secure a defendant's appearance in court, which forfeiture has not been vacated, shall be equivalent to a conviction.

The requirements of this subsection shall apply whether or not such person owns a motor vehicle.

(e) Whenever the director shall receive prima facie evidence, as prescribed by this section, that continuous financial security covering any motor vehicle registered in this state is not in effect, the director shall notify the owner by registered or certified mail or United States post office certificate of mailing that, at the end of 30 days after the notice is mailed, the registration for such motor vehicle and the driving privileges of the owner of the vehicle shall be suspended or revoked, pursuant to such rules and regulations as the secretary of revenue shall adopt, unless within 10 days after the notice is mailed: (1) Such owner shall demonstrate

99 (WED) 15:26 TITLES & REG OP KS TEL: 85-296-3852 P. 005

### Instructions For Registration Renewal

Detach the application above, DO NOT FOLD, and enclose in the attached envelope. Post Office will not deliver without proper postage.

**IMPORTANT** - The registration renewal period for heavy trucks (16M or greater) and all trailers, except those qualifying as a recreational vehicle, is January 1st thru February 15th. No renewals for heavy trucks or trailers will be processed by the County Treasurer's Office before January 1st.

1. Vehicle owners may register by mail or in person through the local County Treasurer's Office.
2. Insurance information section must be completed including name of insurance company, policy number, and the vehicle owner's signature for each vehicle.
3. Confirm all vehicle information above for accuracy. Draw a line through any vehicle listed on this form that you no longer own.
4. Two checks may be required by the County Treasurer, one for the total registration fee(s) and one for total property tax fee(s) (contact your local County Treasurer regarding this requirement). Check(s) or money order(s) must be made payable to the County Treasurer for entire amount of registration fee(s) and property tax(es). If mail service is used, 50c mailing and handling fee per vehicle is MANDATORY.
5. Failure to renew and pay the computed registration fee(s) before the expiration date as indicated on your current registration will result in the assessment of penalties on both registration and property tax(es).

6. If you have transferred the license plate to another vehicle and have not received a renewal notice for the replacement vehicle, contact your County Treasurer's Office for the needed information to renew.
7. The name(s) that appear on this renewal are for mailing purposes only and may not reflect the actual owner record on file.
8. **Heavy Vehicle Use Tax (HVUT)**  
Any person registering a vehicle for a gross weight of 55,000 lbs. or more must furnish proof of payment of the HVUT, as required by the IRS, at time of registration.
9. Personal Property Tax Receipt must be included for trucks registered for a gross weight of more than 12,000 pounds, trailers, and motorized bicycles.
10. For changes on truck weight or classifications, contact local County Treasurer's Office for correct fee assessment.

Refund may be available if vehicle is disposed of during the registration period or if owner(s) move out of state. Refund amount is calculated from the date application for refund is made. Application for refund must be applied for through the County Clerk/County Treasurer's Office. Owner's registration and license plate must be presented to County Clerk/County Treasurer when applying for refund.

Any person operating a motor vehicle upon a highway shall display upon demand, evidence of financial security to a law enforcement officer. Proof of financial security can be an identification card issued by an insurance company, insurance policy or a certificate of self-insurance. Failure to maintain continuous liability insurance throughout the registration period is cause for suspension of the owner's driving and vehicle registration privileges and is punishable by a fine of up to \$1,000.00 and imprisonment for up to six months or both.

↓ DETACH AT PERFORATION ↓

↑ 1. TO REMOVE ENVELOPE TEAR PERFORATION ABOVE ↑  
↓ 2. MOISTEN AND FOLD HERE TO SEAL ↓

▼ PROOF OF INSURANCE ▼

Many states require the presentation of "Proof of Insurance" when applying for motor vehicle registration. Some states also require that you carry "Proof of Insurance" in your vehicle at all times and present this proof to law enforcement officers upon request. The documents below will satisfy the terms of the law in your state.

Please check the computer-generated information on the cards to verify its accuracy.

▼ PROOF OF INSURANCE ▼

PROOF OF INSURANCE - REMOVE AND PLACE IN YOUR VEHICLE	PROOF OF INSURANCE - REMOVE AND SAVE FOR FUTURE REFERENCE
<p>AMERICAN STANDARD INSURANCE COMPANY OF WISCONSIN 6000 American Pkwy • Madison, WI 53783</p> <p>KANSAS MOTOR VEHICLE PROOF OF INSURANCE CARD</p> <p>Policy No. 0115-6434-10-53-SCYC-KS Effective Date 03-04-1998      Expiration Date 03-04-2000</p> <p>Vehicle Description: 1996 HOND MCYC      300      Vehicle Ident. Number Coverages: BI-PD COMP COLL UM UIM KS 67473-1621</p> <p>Agent: BOB Agent Phone: (785) 328-3283</p> <p>This card must be carried in the insured motor vehicle for production upon demand. Please see Important Information on reverse side.</p>	<p>AMERICAN STANDARD INSURANCE COMPANY OF WISCONSIN 6000 American Pkwy • Madison, WI 53783</p> <p>KANSAS MOTOR VEHICLE PROOF OF INSURANCE CARD</p> <p>Policy No. 0115-6434-10-53-SCYC-KS Effective Date 03-04-1998      Expiration Date 03-04-2000</p> <p>Vehicle Description: 1996 HOND MCYC      300      Vehicle Ident. Number Coverages: BI-PD COMP COLL UM UIM KS 67473-1621</p> <p>Agent: BOB Agent Phone: (785) 328-3283</p> <p>Use this card with your application for registration of your vehicle.</p>

# State of Kansas Vehicle Registration Application

Insurance information must be provided below.

VEHICLE #1	Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Insurance Company Name (Required)
												Policy Number (Required)
	Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point			*Signature Of Owner (Required)
												<b>X</b>
VEHICLE #2	Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Insurance Company Name (Required)
												Policy Number (Required)
	Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point			*Signature Of Owner (Required)
												<b>X</b>
VEHICLE #3	Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class	Insurance Company Name (Required)
												Policy Number (Required)
	Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point			*Signature Of Owner (Required)
												<b>X</b>

DETACH ALONG PERFORATION

\*By my signature, I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bonafide place of business in this county and I have in effect financial security as required by law.

\*By my signature I hereby certify that I am an owner of said vehicle(s), that I am a resident or have a bonafide place of business in this county and I have in effect financial security as required by law.

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**ENCLOSE CHECK/ MONEY ORDER and return in attached envelope.**

TR-50-96 IS ADDRESS CORRECT? IF NOT, MAKE NECESSARY CHANGES HERE.





Log To \_\_\_\_\_ Date \_\_\_\_\_  
Clk Int \_\_\_\_\_ F# \_\_\_\_\_

Rev., RP Use ONLY

# KANSAS

Department of Revenue  
Division of Vehicles  
Topeka, KS 66626-0001

Plate No.

## TITLE AND REGISTRATION APPLICATION

TRANSACTION  
TYPE **RRHTST** DESCRIPTION  
**REGISTRATION RENEWAL**  
DATE **01-27-1999**

10210019990127-0019

JUD

REGISTRATION

OLD DECAL

MARIENTHAL KS 67863-

VEHICLE ID NUMBER	VEHICLE TYPE	HEAVY TRUCK (>12M)	PLATE NO.	IRX566
LEBKA92W5FV	REGISTRATION TYPE	STANDARD	DECAL NO.	TK0148056
MAKE MODEL YEAR	STYLE	TRUCK CLASS	REGISTRATION EXPIRES:	12-31-1999
FORD 1985	TM	FARM		
MILEAGE PUR/To KS DATE	EMP/GROSS WT.			
0735300	85500			

*As Record*

*100 Use Tax Payment Verified*

FEE SUMMARY	
TYPE	AMOUNT
RGSTRN/SRVC FEE	\$602.25

I hereby certify that I am a resident or have a bona fide place of business in this county and that I am an owner of and have in effect financial security for the aforementioned vehicle as required by law. I further certify that the information in this application is true and correct to the best of my knowledge and belief.

FALSE CERTIFICATION CAN RESULT IN CRIMINAL PROSECUTION

Insurance Policy Number  
Company

TOTAL AMOUNT \$602.25

TOD:

Owner's Signature(s) \_\_\_\_\_

Date 1-27-99

Property Tax Statement	Prior Year Tax
Tax Paid \$0.00	\$0.00
Penalty	
TOTAL \$0.00	\$0.00

VEHICLE TYPE	HT	REG. TYPE	PLATE NO.	IRX566
CLASS 920		SITUS WH		
TAX VALUE		TAX UNIT 005		

Int/#	Date
Et/Rel _____	_____
Dt Rel _____	_____
QM _____	_____
Tel# _____	_____
Corrs# _____	_____

AMOUNT RECEIVED	\$602.25
CHANGE DUE	\$0.00

2409532 *49*



# KANSAS COUNTY TREASURERS' ASSOCIATION

1999  
OFFICERS:

LARRY TUCKER  
RENO COUNTY  
President

KATHY TREMONT  
GEARY COUNTY  
Vice President

JEANNINE BATEMAN  
MARION COUNTY  
Secretary

ELLIE DAVEY  
LINN COUNTY  
Treasurer

TO: House Insurance Committee  
FROM: R. Eileen King, Riley County Treasurer  
Date: February 4, 1999  
RE: HB 2066

Thank you Mr. Chairman and members of the committee. I am representing the Kansas County Treasurer's Association as the Immediate Past President. The intent of this bill is commendable, uninsured motorist are a problem. But will this bill solve the problem? My concerns are the enforcement, the perception of additional hassle to customers and the hardship to people doing renewals by mail to obtain a copy of their insurance card to send to us.

I have been Riley County Treasurer for 14 years, during that time I have been told that we are not an enforcement agency. I have attached a copy of the renewal form and title application form that people are required to sign stating that the vehicle they are registering is insured. Unless we have solid evidence that someone is not telling the truth, we must accept their signature as proof.

Many times when people come into our offices to register their vehicle, they bring us an insurance binder to prove that they have insurance. This binder is not a guarantee, the person could be denied the insurance or they could cancel the insurance the next day. Likewise if a person comes into our office on one day with the valid proof of insurance, there is no assurance that the insurance will remain enforce.

ATTACHMENT # 5  
February 4, 1999  
House Insurance Comm.  
5-1  
HV

The best way to verify that everyone has insurance is to have a system in place that matches the person's insurance and the vehicles they have registered. The only way that this can be accomplished is to collect the social security numbers to verify that the insurance is enforce on the appropriate vehicle. The Division of Motor Vehicles would need to address how this could be implemented.

During Governor Graves tenure there has been a concerted effort to make government more customer-friendly. I understand that over 90% of the people in Kansas have insurance. Implementation of this bill would require our offices to send more people out to bring in the proof of insurance. Many people already think that the motor vehicle process is restrictive and results in numerous trips to our offices to complete the registration process. If we truly want to be more customer-friendly, do we want to make another hurdle for the customers to jump over before they are allowed to register a vehicle?

Even though the bill would allow for the offices to accept a photocopy of the insurance documents, what about mail-in renewals? Many people, especially elderly people, mail their registration renewals into our offices, do we really want to require them to make a trip to their local grocery store, copy store, etc. to make a copy of their insurance before they mail it in? Do we really want to hassle the 90% of honest Kansans by returning their mail-in renewals if they forget to send in the proof? Is the Motor Vehicle Department ready to handle an additional document on each transaction?

I realize that uninsured motorists are a problem, but we need to determine what is the most effective course of action. I appreciate your time in addressing this matter and I am willing to stand for any questions.

# KANSAS

Department of Revenue  
Division of Vehicles  
Topeka, KS 66626-0001

## TITLE AND REGISTRATION APPLICATION

Rev., RP Use

Plate No. IFK045

TRANSACTION  
TYPE RRAUST DESCRIPTION  
REGISTRATION RENEWAL  
DATE 02-03-1999

08110019990203-0020

LLW

OWNERS  
NAME

BASHFORD MARVIN L AND/OR  
BASHFORD MARILYN J WROS

OLD DECAL

1951 CRESCENT DR MANHATTAN KS 66503-

VEHICLE ID NUMBER	VEHICLE TYPE	AUTOMOBILE	PLATE NO.	IFK045
1G4HR52K3VH483492	REGISTRATION TYPE	STANDARD	DECAL NO.	AU6185694
MAKE	MODEL	YEAR	STYLE	TRUCK CLASS
BUIC		1997	4D	
MILEAGE	PUR/To KS DATE	1997	EMP/GROSS WT.	
0000046			03401	

REGISTRATION EXPIRES: 03-31-2000

DISPOSED VEHICLE

*Complete When Applying for Duplicate Title* I certify that I am the lawful owner of the vehicle described above and a Kansas Certificate of Title was issued to me, and that my original certificate of title has been: (Check one.) lost [ ], mutilated \* [ ], or has become illegible \* [ ]. \* Attach title to application.

LIENS

COMMERCE BANK NATL ASSOC  
727 FOYNTZ AVE  
MANHATTAN KS 665020000

### FEE SUMMARY

TYPE	AMOUNT
RGSTRN/SRVC FEE	\$27.25
PRPRTY TAX	\$311.83

I hereby certify that I am a resident or have a bona fide place of business in this county and that I am an owner of and have in effect financial security for the above mentioned vehicle as required by law. I certify that all liens and/or encumbrances, if any, are listed and the information on this application is true and correct to the best of my knowledge.

**FALSE CERTIFICATION CAN RESULT IN CRIMINAL PROSECUTION.**

T  
O  
D

Insurance Policy Number HRAB608797  
Company CINCINNATI INS

TOTAL AMOUNT \$339.08

Owner's Signature(s) *Marvin L Bashford* TOD: \_\_\_\_\_  
Please review all information for accuracy before signing.

Date 2-3-99

PROPERTY TAX STATEMENT	Prior Year Tax	VEHICLE TYPE	AU	REG. TYPE	PLATE NO.	IFK045
Tax	\$311.83	CLASS	020	SITUS	RL	
Penalty	\$0.00	PREV. TX. VALUE \$		TAX UNIT	002	
Crdt Total		NEW TX. VALUE \$	3,413.81	VEH DISP:		
TOTAL	\$311.83					

Sold to/Repossessed by

BASHFORD MARVIN L  
BASHFORD MARILYN J  
1951 CRESCENT DR  
MANHATTAN KS 66503

AMOUNT RECEIVED \$339.08  
CHANGE DUE \$0.00

5-3  
3-6

Staple Attached Here  
**KAN 3**  
 Department of Revenue  
 Division of Vehicles  
 Topeka, Kansas 66626-0001

# Title and Registration Manual Application

**PRIORITY**

County Name \_\_\_\_\_ County Number \_\_\_\_\_

Application Date \_\_\_\_\_ County Situs \_\_\_\_\_

**TRANSACTION TYPE:**

Renewal	Transfer	Dup. Reg	Wght. Chng.	Qtr. Pay	Corrected	Non-Neg.	Org T & R	Title Only	Title Only, FN Code:	Non-Hwy Code:	Frm Non-Hwy Code:
---------	----------	----------	-------------	----------	-----------	----------	-----------	------------	----------------------	---------------	-------------------

**VEHICLE TYPE:**

AU	LT	HT	MC	MB	MH	TR	AT	BS	ELEC
----	----	----	----	----	----	----	----	----	------

**REGISTRATION TYPE:**

ST	PN	AN	DS	PA	PD	NG	DV	AR	SI	SR	CW	EX	PH	EI	CC	5Y	UT	Other:
----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	--------

Plate Number \_\_\_\_\_ Decal Number \_\_\_\_\_ Legal Type \_\_\_\_\_  
 Reg. Expires \_\_\_\_\_ Tax Unit \_\_\_\_\_ Class Code \_\_\_\_\_

**ACQUISITION CODE:**

New	Used	Asve	Gldr Kit	Body Exc	Home
-----	------	------	----------	----------	------

**OWNER'S NAME** (Last, First, Middle Initial)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

&	or	&/or	c/o	DBA	Lsr	
&	or	&/or	c/o	DBA	Lse	WROS
&	or	&/or	c/o	DBA	Lse	WROS
&	or	&/or	c/o	DBA	Lse	WROS
&	or	&/or	c/o	DBA	Lse	WROS

Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

VIN: \_\_\_\_\_ Year: \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_ Style: \_\_\_\_\_

Purchase/Brought to KS Date: \_\_\_\_\_ Mileage: \_\_\_\_\_ Actual \_\_\_\_\_ Exceeds \_\_\_\_\_ Not Actual \_\_\_\_\_ Exempt \_\_\_\_\_

Empty Weight: \_\_\_\_\_ Gross Weight: \_\_\_\_\_ Truck Class: \_\_\_\_\_ Local Base Point: \_\_\_\_\_

New Gross Weight & Truck Class: \_\_\_\_\_ (< Use on truck/trailer Wght. Change.) Registration Mileage: \_\_\_\_\_

**SPECIAL MAIL OUT** \_\_\_\_\_ Temporary (Mail just the title.) \_\_\_\_\_ Permanent (Mail title & renewal notice.) \_\_\_\_\_ Lienholder (Mail title to lienholder.)

Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**1st LIENHOLDER'S NAME**

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**2nd LIENHOLDER'S NAME**

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**PLATE TRANSFER INFORMATION**

Previous Vehicle's VIN: \_\_\_\_\_

Year: \_\_\_\_\_ Make: \_\_\_\_\_ Style: \_\_\_\_\_

Vehicle Sold to/Repossessed by: \_\_\_\_\_

**ADDING NAME(s)** Relationship: \_\_\_\_\_ Parent \_\_\_\_\_ Spouse \_\_\_\_\_ Child

Signature of Person(s) Being Added: \_\_\_\_\_

Insurance Policy Number: \_\_\_\_\_

Insurance Company Name: \_\_\_\_\_

I hereby certify that I am a resident or have a bona fide place of business in this county and that I am an owner of and have in effect financial security for the aforementioned vehicle as required by Kansas law. I further certify that the information in this application is true and correct to the best of my knowledge and belief.  
**FALSE CERTIFICATION CAN RESULT IN CRIMINAL PROSECUTION.**

Owner's Signature(s) \_\_\_\_\_

Date \_\_\_\_\_

**FEE SUMMARY**

Title Fee	_____
Penalty	_____
Registration Fee	_____
Penalty	_____
Decal Fee	_____
Transfer Fee	_____
Reflectorized Plate Fee	_____
Total	_____
Property/RV Tax Due	_____
Penalty	_____
Previous Prop./RV Tax Due	_____
Prev. Prop./RV Tax Penalty	_____
Total	_____
Sales Tax	_____
County Miscellaneous Fee	_____
Grand Total	_____

White Copy to State, Yellow Copy to Applicant  
 Pink Copy to County Treasurer

5-4  
4-6

# State of Kansas Vehicle Registration Application

Insurance information must be provided below.

0123124 AC

0123124 AC

Insurance Company Name (Required)

Commercial Union

Policy Number (Required)

CTAR 00042

\*Signature Of Owner (Required)

X Ron Tork

Insurance Company Name (Required)

Commercial Union

Policy Number (Required)

CTAR 00042

\*Signature Of Owner (Required)

X Ron Tork

Insurance Company Name (Required)

Commercial Union

Policy Number (Required)

CTAR 00042

\*Signature Of Owner (Required)

X Ron Tork

DETACH ALONG PERFORATION

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VEHICLE #1  
VEHICLE #2  
VEHICLE #3

Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class
45XMB1629SACG0592	KPA768	TR	ST	ACT		TR	1995		RL	08000N
Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		
0.00	0.00	17.25	0.00	17.25		12/31/1999		0139569		

Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class
S21999KAN	MEG536	TR	ST	HOME		MX	1984	920	RL	08000N
Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		
0.00	0.00	17.25	0.00	17.25		12/31/1999		0139568		

Vehicle ID Number	Plate Number	Vehicle Type	Registration Type	Make	Model	Style	Year	Class	County Situs	Gross Weight/Class
1M9CE2423W1328177	MEG537	TR	ST	TRAI		TR	1998	920	RL	08000N
Tax Value/RV,EW	Property Tax/RV	Reg/Qtr Fees	ARO/DS Fee	TOTAL AMOUNT DUE		EXPIRATION DATE		Local Base Point		
0.00	0.00	17.25	0.00	17.25		12/31/1999		0139569		

ASSOCIATED INSULATION INC  
701 PECAN CIR  
MANHATTAN KS 66502-8164

ENCLOSE CHECK/  
MONEY ORDER and  
return in attached  
envelope.

TR-50-96 IS ADDRESS CORRECT? IF NOT, MAKE NECESSARY CHANGES HERE.

554



11/14

# Instructions For Registration Renewal

De [redacted] the application above, DO NOT FOLD, and enclose in the attached envelope. Post Office will not deliver without proper postage.

**IMPORTANT** - The registration renewal period for heavy trucks (16M or greater) and all trailers, except those qualifying as a recreational vehicle, is January 1st thru February 15th. No renewals for heavy trucks or trailers will be processed by the County Treasurer's Office before January 1st.

1. Vehicle owners may register by mail or in person through the local County Treasurer's Office.
2. Insurance information section must be completed including name of insurance company, policy number, and the vehicle owner's signature for each vehicle.
3. Confirm all vehicle information above for accuracy. Draw a line through any vehicle listed on this form that you no longer own.
4. Two checks may be required by the County Treasurer, one for the total registration fee(s) and one for total property tax fee(s) (contact your local County Treasurer regarding this requirement). Check(s) or money order(s) must be made payable to the County Treasurer for entire amount of registration fee(s) and property tax(es). If mail service is used, 50c mailing and handling fee per vehicle is MANDATORY.
5. Failure to renew and pay the computed registration fee(s) before the expiration date as indicated on your current registration will result in the assessment of penalties on both registration and property tax(es).

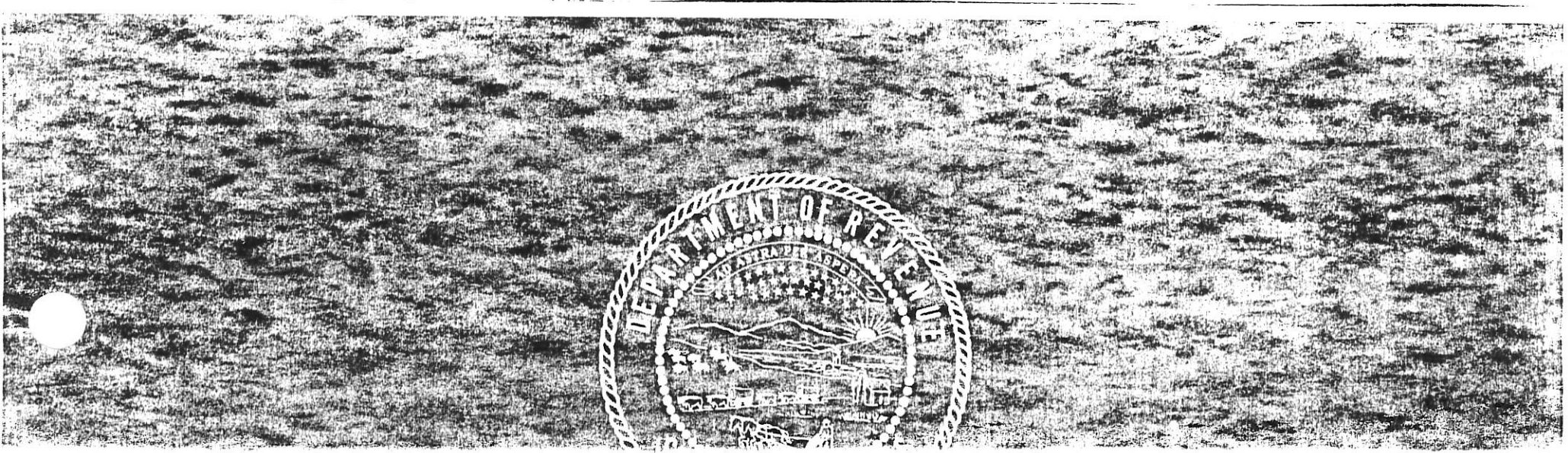
6. If you have transferred the license plate to another vehicle and have not received a renewal notice for the replacement vehicle, contact your County Treasurer's Office for the needed information to renew.
7. The name(s) that appear on this renewal are for mailing purposes only and may not reflect the actual owner record on file.
8. **Heavy Vehicle Use Tax (HVUT)**  
Any person registering a vehicle for a gross weight of 55,000 lbs. or more must furnish proof of payment of the HVUT, as required by the IRS, at time of registration.
9. Personal Property Tax Receipt must be included for trucks registered for a gross weight of more than 12,000 pounds, trailers, and motorized bicycles.
10. For changes on truck weight or classifications, contact local County Treasurer's Office for correct fee assessment.

Refund may be available if vehicle is disposed of during the registration period or if owner(s) move out of state. Refund amount is calculated from the date application for refund is made. Application for refund must be applied for through the County Clerk/County Treasurer's Office. Owner's registration and license plate must be presented to County Clerk/County Treasurer when applying for refund.

Any person operating a motor vehicle upon a highway shall display upon demand, evidence of financial security to a law enforcement officer. Proof of financial security can be an identification card issued by an insurance company, insurance policy or a certificate of self-insurance. Failure to maintain continuous liability insurance throughout the registration period is cause for suspension of the owner's driving and vehicle registration privileges and is punishable by a fine of up to \$1,000.00 and imprisonment for up to six months or both.

↓ DETACH AT PERFORATION ↓

↑ 1. TO REMOVE ENVELOPE TEAR PERFORATION ABOVE ↑  
↓ 2. MOISTEN AND FOLD HERE TO SEAL ↓



# STATEMENT

BY KANSAS MOTOR CARRIERS ASSOCIATION  
P.O. Box 1673 ■ Topeka, Kansas 66601  
Telephone: 785-267-1641 ■ FAX: 785-266-6551 ■ www.kmca.org

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Requesting an amendment to House Bill 2066-2069

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Appearing before the House Insurance Committee  
Representative Bob Tomlinson, Chairman  
Thursday, February 4, 1999  
State Capitol, Topeka, Kansas

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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Tom Whitaker, director of governmental relations and membership services for the Kansas Motor Carriers Association. I appear here this afternoon representing our 1,400 member firms and the highway transportation industry.

We are here today to request your favorable consideration for an amendment to House Bill No. 2066. The bill requires an applicant for registration of a vehicle to provide proof of liability insurance using an insurance card, a certificate of self-insurance or a copy of the actual insurance policy.

Our amendment would allow an additional option. Motor carriers are required to file with the Kansas Corporation Commission proof of motor vehicle liability insurance before the KCC will issue credentials for such vehicles to operate in Kansas. This requirement applies to both interstate and intrastate motor carriers. Currently, K.S.A. 40-3107 exempts motor carriers (of property or passengers regulated by the KCC) from the requirement that such carriers carry proof of insurance in the vehicle. The exemption was approved by the Legislature because proof of insurance was already on file with the KCC. When a motor carrier's insurance is cancelled, the KCC is notified and the operating credentials for the carrier are void.

The amendment we are requesting would add the following language on page 1, line 39: *or a motor carrier identification number issued by the state corporation commission.*

The Kansas Motor Carriers Association supports the passage of House Bill 2066 with our requested amendment. We thank you for the opportunity to appear before you today and would be pleased to respond



ATTACHMENT # 6  
FEBRUARY 4, 1999  
House Insurance Comm.  
**MOVES BY TRUCK**

**FARMERS**

10850 Lowell Ave.  
Overland Park, KS. 66210  
Bus 913.661.6580  
Fax 913.323.6172

[www.farmersinsurance.com](http://www.farmersinsurance.com)

House Bill 2066  
House Insurance Committee  
February 4, 1999  
Testimony by Lee Wright

Mr. Chairman and members of the committee. My name is Lee Wright and I am representing the Farmers Insurance Group of Companies. Thank you for this opportunity to appear today in opposition to House Bill 2066.

The uninsured motorist population has been a concern of the Kansas Legislature and its insurance committees for as many years as I can remember. This is my seventeenth year of lobbying for Farmers and the question of how to reduce or eliminate uninsured motorists seems to come up almost annually.

In 1987, I had the privilege of serving on a special Ad Hoc Committee which was appointed by Insurance Commissioner Fletcher Bell and chaired by House Insurance Committee Chairman Dale Sprague. The committee was formed to study and recommend desirable changes to the compulsory automobile liability insurance requirements.

Among those groups represented on the committee were the County Treasurers Assoc., the Kansas Peace Officers Assoc., the Kansas County and District Attorney's Assoc., the Kansas Highway Patrol, the City Attorney's Assoc. of

ATTACHMENT #7  
FEBRUARY 4, 1999  
HOUSE INSURANCE COMMITTEE  
7-7

Kansas, the Kansas Municipal Judges Assoc., the Attorney Generals Office., the Judicial Administrators Office, the Division of Motor Vehicles, the DOI, the Independent Insurance Agents Assoc., State Farm and Farm Bureau Insurance. As you can see this was a diverse group and a host of different perspectives were shared at the meetings.

The bottom line conclusion on the uninsured motorist problem was this- - there will always be a percentage of the driving population who will figure out a way to circumvent any compulsory auto liability law. Therefore, any contemplated changes to the law to possibly increase it's effectiveness must be carefully weighed against what additional burden and aggravation the requirements will place on the vast majority of drivers who already comply with our law.

Representative Huffs' bill may induce some uninsured drivers to purchase and maintain insurance. However, the proof of insurance requirements set forth in HB. 2066 will not remedy the situation where the driver simply purchases a policy to renew their vehicle registration and then requests a policy cancellation and premium refund immediately afterward.

Thank you Mr. Chairman that concludes my remarks.

Office of the Secretary  
Kansas Department of Revenue  
915 SW Harrison St.  
Topeka, KS 66612-1588



(785) 296-3041  
FAX (785) 296-7928  
Hearing Impaired TTY (785) 296-3909  
Internet Address: [www.ink.org/public/kdor](http://www.ink.org/public/kdor)

Office of the Secretary

TESTIMONY

**TO:** Rep. Robert Tomlinson, Chairman  
House Insurance Committee Members

**FROM:** Sheila Walker, Special Assistant *Sheila Walker*

**DATE:** February 4, 1999

**SUBJECT:** House Bill 2066

---

Good afternoon, Rep. Tomlinson and members of the House Committee on Insurance. My name is Sheila Walker, and I serve as Special Assistant to the Secretary of the Kansas Department of Revenue. I appreciate the opportunity to provide testimony today regarding House Bill 2066.


The Kansas Division of Motor Vehicles can administer the changes proposed in this bill. However, without specifically supporting or opposing the bill, we would respectfully like to express a few concerns about its impact on our customers.

As you know, Kansas residents register their vehicles at their local county treasurers office. The treasurers serve as our agents. Under House Bill 2066, the treasurers will have to turn away renewal applications received by mail that are not accompanied by the required proof of insurance. This could result in significant additional postage costs in high population counties. Similarly, Kansans renewing their registrations in person without the required proof of insurance would be denied. Customer satisfaction with the renewal process could suffer.

In addition, we estimate that it would cost approximately \$51,522 to make computer programming changes for this bill.

Again, the Kansas Division of Motor Vehicles can implement this bill, and we do appreciate your consideration.

*ATTACHMENT # 8  
February 4, 1999  
House Insurance Comm*



BACK TO TOP

**NATIONAL CONFERENCE OF INSURANCE LEGISLATORS YEAR 2000 COMPLIANCE  
RESOLUTION EXECUTIVE COMMITTEE**

Adopted July 10, 1998

WHEREAS, it is an important public policy goal that insurers be prepared, to the fullest extent possible, to address the anticipated challenges arising from the Year 2000 problem, so that disruptions to the operations of insurers, including their ability to provide appropriate policyholder service, will be minimized;

WHEREAS, the anticipated challenges include, but are not limited to, insurers reviewing and testing their own systems to assess their Year 2000 compliance and remedying Year 2000 problems that may arise;

Whereas, addressing the anticipated challenges may require that insurers allocate significant information technology resources in preparation of the Year 2000 or if a Year 2000 problem does arise;

NOW, THEREFORE BE IT RESOLVED, that the National Conference of Insurance Legislators calls upon each state legislature to refrain from enacting any laws, with an effective date between July 1, 1999, and June 30, 2000, that would require insurers to undertake significant system programming changes in order to achieve substantial compliance with such laws.

ATTACHMENT #9  
February 4, 1999  
House Insurance Comm.





**Kathleen Sebelius**  
Commissioner of Insurance  
**Kansas Insurance Department**

TO: House Committee on Insurance  
FROM: Kathleen Sebelius, Insurance Commissioner  
RE: H. B. 2091 – Auto Insurance Improvement Act  
DATE: February 4, 1999

Mr. Chairman and members of the Committee:

Kansas is very fortunate that we have the 8<sup>th</sup> lowest auto insurance rates in the nation. Clearly, we have established ourselves as a leader in maintaining competitive rates. However, I'm like most Kansans; we would all like to pay even less to insure our cars.

In September of last year, I announced my 1999 Auto Insurance Improvement Act. The act is designed to continue the trend of reducing auto insurance rates in Kansas, create more choices for consumers and update auto insurance laws. The strategy involves public and private initiatives in an attempt to reduce auto insurance costs. I want to outline the bill before you today, which is the legislative portion of the program, and together with the legislation introduced by Representative Huff, will help to crack down on uninsured motorists, bring more drivers into the insurance pool, and further reduce costs for responsible drivers.

An estimated 150,000 to 180,000 Kansas drivers are uninsured, and when they are involved in accidents, it costs ALL of us who do have insurance. Uninsured drivers continue to provoke

*News Comm on Ins*  
*ATTACHMENT 20*  
*3-4-99*

420 SW 9th Street  
Topeka, Kansas 66612-1678

785 296-3071  
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Printed on Recycled Paper

**Consumer Assistance Hotline**  
1 800 432-2484 (Toll Free)

*10-1*  
*7-12*

the most calls in our Consumer Assistance Division. I have attached several letters and comments of consumers on this issue.

Today, I am asking you to consider making changes to Kansas law to increase penalties for intentional acts of driving without insurance by passing HB 2091.

- Section 1 :
  - increases the criminal penalty for violators from a class B misdemeanor (\$200 - \$1,000 fine or confinement in the county jail for not more than six months, or both); to a class A misdemeanor (\$500 - \$2,500 fine or confinement in the county jail for not more than one year, or both ).
  - increases the criminal penalty for repeat violators, (two violations in three years), from a class A misdemeanor to a non- person felony, level 7 (9 – 13 months confinement with a \$100,000 fine).
  - increases the penalty for reinstating licenses and providing proof of insurance from \$25 to \$250. For repeat violators, (two violations in three years), the bill increases the penalty for reinstating licenses and provided proof of insurance from \$75 to \$750.
- Section 2 :
  - increases from a class B to a class A misdemeanor for not maintaining insurance coverage throughout the registration period.
  - increases the reinstatement fee from \$25 to \$250, for the driver whose license has been suspended or revoked, for failure to maintain insurance coverage. If it is a repeat violator, increases the reinstatement fee from \$75 to \$750.
- Section 3 requires every insurer to offer a “zero deductible” option to applicants of an insurance policy which contains collision damage coverage. “Zero deductible” is a provision

that waives the deductible where an uninsured motorist causes the collision damage. The coverage shall be offered to existing policyholders who have collision coverage are required to notify such policyholders of this offer through notices that comply with rules and regulations promulgated by the insurance department.

Kansas auto insurance rates are already low compared to the rest of the nation. The highway patrol estimates that 10% of Kansas's drivers are uninsured, which is also low when, compared to other states, which often have 15-30% of the drivers' uninsured. But 150,000-180,000 uninsured drivers on Kansas roads are too many! Working together, we can reduce that number and reduce auto rates for responsible drivers.

The Auto Insurance Improvement Act includes several other initiatives. The strategy involves both governmental and private efforts to reduce auto insurance costs.

One segment is passenger education, targeting 2<sup>nd</sup> grade students across Kansas. My "Click-It Cricket" friend and I visit grade schools to discuss the importance of wearing safety belt and riding in the back seat. According to Kansas Vital Statistics, auto accidents continue to be the leading cause of death among children under age 15, and over 5,000 Kansas children were injured or killed last year in car crashes. Recent surveys show that safety belt usage among children, ages 4 to 13, is only 58 percent. Economically speaking, the Kansas Safety Belt Education Office estimated the average hospital cost for an unbuckled accident victim is 50 percent higher than the cost for a buckled victim. Lower accident costs is good for Kansas's children and good for insurance rates.

Driver education is a tool to help enforce the mandatory insurance laws. We joined with the Kansas Department of Revenue with a driver education program called, "Do you gamble in your

car? The answer is ... "You bet you do, if you're driving without car insurance?" This brochure is given to drivers when they purchase a vehicle or pay property taxes at their local county Treasurer's Office across Kansas. It's a specific reminder about the law and the penalties, which we hope will help with enforcement.

Another target audience is the parents or guardians of "age-restricted drivers", those under-16 year old teens who are driving in Kansas. To get an age-restricted license, a parent or guardian must sign a permission sheet. We have developed an information brochure on the rules and restrictions for these drivers, which will be sent back to the parent or guardian. As a parent, I know it will be helpful to get a one-page set of rules to follow with my 14-year old son who is able to drive on a restricted license. (A copy of the brochure is attached).

These strategies: changes in the law to crack down on uninsured drivers, additional options for drivers to provide protection from loss, and specific education and safety campaigns aimed at target audiences, can be very effective in the fight to further lower auto insurance rates in Kansas.



**Kathleen Sebelius**  
Commissioner of Insurance  
**Kansas Insurance Department**

January 21, 1999

Wichita, Kansas 67204

Dear

I appreciate your letter involving your 1997 collision with an uninsured driver. I agree wholeheartedly that our current laws have major loopholes, and we continue to "penalize" the responsible drivers.

In November of 1998, my seventeen-year-old son was driving my van and taking our younger son and two friends to soccer practice. Luckily he had dropped the younger boys when he was hit by an uninsured motorists in Topeka. I know all too well he frustrations that you have described in your letter.

We do have a major piece of legislation which has been introduced in the 1999 session dealing with this issue. It seeks to significantly enhance both the monetary and criminal penalties for failing to have the proper insurance coverage. We are also in a process of working with the County Treasurer's office, who have the duty to enforce the current law, to discuss some enhanced enforcement techniques, because I think all of us realize that there is a hug gap between the legal language and the actual practice.

I will use your letter as one of the examples of why this legislation is so desperately needed. I do appreciate your copying State Representative Brenda Landwehr with your complaint and I would urge you to also contact your State Senator.

Although our estimated 10% of drivers being uninsured is relatively low in the country, it is still way too high as far as I am concerned. I am hopeful that our new legislation and education and enforcement efforts will help to remove more of the uninsured motorists from the roads of Kansas.

Thank you for your comments and thoughts on this issue.

Sincerely yours,

Kathleen Sebelius  
Commissioner of Insurance

10-5  
8-12

Wichita, Ks 67204  
7 January 1999

Kathleen Sebelius, Insurance Commissionaire  
420 S W 9<sup>th</sup> Street  
Topeka, Ks 66612-1678

Dear Ms Sebelius,

I had a conversation with Mr. Ron Turner of your staff about uninsured motorists. Because of this I submit the following for your consideration.

On 10 September 1997, My wife while driving our 1990 Dodge Caravan was struck by a driver, who was cited for failure to yield right of way. He reported to the police that he was insured.

After checking with his agent, I found that his insurance was not in effect on the date of the accident. The Wichita police did nothing to follow up after I advised that he had no insurance.

My insurance company tried to no avail to collect from this individual for a year. At this point, I went to small claims court to try to get restitution for my \$500.00 deductible.

The man in question failed to appear in court on three occasions, and now has a bench warrant out for his arrest.

However, I was not sitting here doing nothing.

I contacted the county attorneys office, only to be advised that I should have maximum uninsured and under insured insurance.

I contacted the treasurers office on two occasions to ask how they checked the statement on auto license applications to assure that the auto was actually insured. On both occasions, I was told that they were not authorized to check that fact. A supervisor in the department told me that only the state could verify that an auto was properly insured.

I called the Wichita police, State Highway patrol, and the county offices. Finally a lady in the county advised that there was A State office, "Drivers Control Bureau".

I called the Bureau and was advised to send a copy of the accident report along with a letter from me advising that the other driver was uninsured. I did this.

On 11-21-97 his drivers license was suspended, and on 12-29-97 a suspension was entered for failure to comply-citation.

So now we have a driver who is uninsured, and with a suspended license doing as he sees fit. An officer at the Wichita police department answered me to the effect that if stopped he would get another citation and drive away smiling.

It seems that we have laws that only affect those of us who wish to comply, otherwise under the current system, insurance is not a factor in operating a motor vehicle on the street of Kansas.

Sincerely,

CC; Brenda Landwehr, State Rep.

6

10-6  
672



December 22, 1998

Kansas Insurance Commission  
Consumer Protection Division  
420 SW 9th  
Topeka, KS 66612

Gentlemen:

The purpose of this letter is to inform you of an accident that my son, \_\_\_\_\_ was a victim of on October 17, 1998.

My son's car was struck, while parked, by Mr.

Lenexa, KS 66219, an uninsured motorist. So far to date, he has not paid anything except for one \$25.00 money order.

Our only recourse to recover our losses to date, is to file an insurance claim under our insurance policy and pay the \$500.00 Deductible.

Mr. \_\_\_\_\_ repeatedly promised, over the phone, that he would pay for the damages. So far, he has broken his promises with only one \$25.00 money order payment. I am sure that he did not use a bank check so that if we went to court, we could not attach his assets through his bank account. I do not believe that this is the proper accounting that should be expected from a Kansas Motorist especially when it is the law that all Kansas Motorists must carry liability insurance.

I am writing this letter to file a formal complaint that Mr. \_\_\_\_\_ did unlawfully drive without proper and adequate insurance and that he caused sever damage to my son's automobile while it was parked.

I have exhausted my patience in trying to reach Mr. \_\_\_\_\_ in trying to restore my loss and clear my insurance record. I am now seeking your assistance in pursuing the restoration of my claim and my \$500.00 out of pocket expenses.

Very truly yours.

Overland Park, KS 66212

7

10-7  
7/12

Mission Hills, KS 66208

October 1, 1998

Fax: 785-296-5806

KATHLEEN SEBELIUS  
Kansas Insurance Commissioner  
420 SW 9th  
Topeka, Kansas 66612-1678

RE: Penalties for Driving With No Insurance

Dear Ms. Sebelius:

I think any reform that you are seeking should include a requirement that uninsured motorists, causing damage to private property, should be required under threat of going to jail, to pay for any damages they cause. Now the only recourse is for the injured party to seek separate legal judgment and usually that is not cost effective.

If you can now require a minimum dollar penalty that the state keeps, why can't you take care of the person who has actually been damaged? Attorney and court costs are usually recovered for the state also. The damaged citizen is left out in the cold.

I have been the victim twice in the last 8 years of having my property damaged by drivers who had no insurance. Once this occurred at a shopping center in Wichita where the driver ran into one of our shops and did \$8,000 worth of damage to the building and thousands in damage to the contents. No insurance.

On January 1, 1997, another driver jumped the curb on a straight stretch of street in front of our apartment complex at 1:40 am, near KU Medical Center doing \$7,500 worth of damage to the site and building. No insurance, and driving with a suspended license.

Enclosed is the investigation sheet completed by our insurance company in an effort to recover damages for the January 1, 1997, incident. It shows an extensive list of abusive driving before and AFTER his damage to our property.

I believe the system must be changed to include, at a MINIMUM, that the driver who is found guilty of driving without insurance and damages private property, must pay the fair cost of repairing the damage, with the ultimate threat of jail time if he does not do so.

Please relay my sentiments to the Legislature regarding this matter.

Sincerely yours,

Marion, KS 66861

January 11, 1999

Department of Insurance  
420 S.W. 9th St.  
Topeka, KS 66612

Attention: C.A.D.

I am writing to inform your Department that there should be stricter laws against people that do not have car liability insurance. They may have to pay a fine or go to jail, but what about the damage they caused to someone's vehicle. They should have to pay the person they hit for the damage to be repaired. This could be included in the fine with their violations.

On November 7, 1998 I was hit in the right rear of my vehicle while I was waiting for a light to change. I was pushed into the rear of the vehicle ahead of me, so I incurred damage to both ends of my vehicle.

I carry Liability insurance for my vehicle like the law requires, but did not. Now I am left to deal with how to pay for \$2200 in damages. I am just lucky I could still drive my vehicle home.

It seems that the way the law is now, the person that is following the law is left high and dry. The officer told me he would have to pay a fine, so who gets that money, the state, for what!

Please make the penalty for not carrying Liability Insurance so that it will help the law abiding citizen pay for the damages received.

Sincerely,

I was a victim of a uninsured motorist. I have a \$500.00 deductible insurance, but my repair bill was only \$492.77. Now I have to go to small claims court to try to recover - which I won't do. I'm a legal driver, obeying the law and now I'm the one losing out.

Kansas as a state should never allow such a tragedy. We have to get tough on people who drive without any insurance much less a driver's license. I've got a few solutions:

- You fish without a license - you lose your gear
- You hunt without a license - you lose your gun
- You drive without insurance - you lose the vehicle you are driving.

Also, if a uninsured motorist causes

damage - the system should send a form to the victim to be filled out & sent back with 2 estimates for repairs. The form is then attached to the ticket and the judge then has all the information before he has to make a judgement. Restitution should be made before a driver's license is re-issued.

I hope this letter can make a difference

## It's more than just keeping their keys...

Teenagers are involved in more accidents in Kansas than any other age group. Teenagers were involved in nearly 13 percent of all Kansas accidents in 1996 — more than 100 of those accidents were fatal. \* This is the single most important reason that as a parent, you need to make sure your teen driver is following the rules.

### Be an Informed Parent

We want to do what we can to help you be an informed parent. We have free information which can help prevent accidents and keep your insurance rates down. Order your free copies today!

- Kansas Driver's Handbook. Pick one up from the Division of Motor Vehicles.
- Kansas Auto Insurance Shoppers Guide. Call the Kansas Insurance Department at 1-800-432-2484.

\*According to Kansas Department of Transportation.

*This publication was provided for informational purposes by the Kansas Division of Motor Vehicles and the Kansas Insurance Department.*

Kansas Department of Revenue  
Division of Motor Vehicles  
Betty McBride, Director  
915 S.W. Harrison St.  
Topeka, Ks.  
785-296-3601  
Homepage: [www.ink.org/public/kdor](http://www.ink.org/public/kdor)

Kansas Insurance Department  
Kathleen Sebelius, Commissioner  
420 S.W. 9th St.  
Topeka, KS 66612  
785-296-3071  
1-800-432-2484  
Homepage: [www.ink.org/public/kid](http://www.ink.org/public/kid)  
Email: [ksebelius@ins.wpo.state.ks.us](mailto:ksebelius@ins.wpo.state.ks.us)

Parents: *Tips for keeping your teenage drivers legal.*

# Help Your Teen Keep the Keys



4/11/01

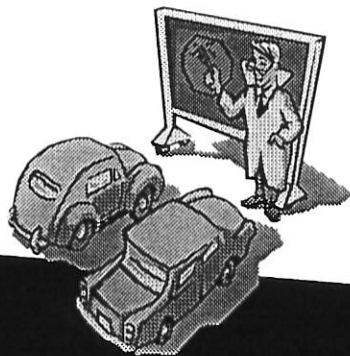
10-17  
21-01  
1997

## Know the Rules

Kansas law allows 14 and 15-year-olds to drive in very limited situations. The law is often broken because parents don't know the rules. One common mistake is that parents allow their young drivers to carry passengers with them. Another one is that they allow teens to drive to extracurricular school activities. This brochure summarizes what you as parents need to know, so you can help your teenager follow the rules.

### *If law is broken, teens lose their keys.*

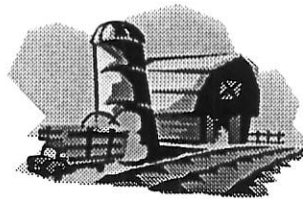
Teens caught breaking the law may be fined and their license suspended. This means no driving. Often their insurance may not pay in the event of an accident; costs could increase; and coverage could even be cancelled. It can be costly to break the law.



## 14-year-old Drivers

**Instruction Permit:** This license, often called a learner's permit, may be issued at age 14 or older if the driver passes a written test. It allows driving *only* when a licensed adult (18 or older with at least one year of driving experience) is sitting beside the driver. The permit is valid for one year.

**Farm Permit:** The only time 14-year-olds can drive without an adult beside them is with a farm permit.



Farm permits allow driving :

- To, from, or in connection with any farm job, employment, or farm-related work.
- To and from school on days when school is in session for the purpose of attending school, not extracurricular activities. The driver must take the most direct route to school.

Farm permits do not allow the driver to carry non-family member passengers under the age of 18.

## 15-year-old Drivers

**Restricted License:** A 15-year-old can get a restricted license after completing a driver's education class. This license allows driving without an adult only in these situations:



- To, from, or in connection with any job or employment.
- To and from school on days when school is in session for the purpose of attending school, not extracurricular activities. The driver must take the most direct route.

Restricted drivers cannot drive non-family member passengers under the age of 18 anywhere, even with an adult seated beside them.

*It's against the law...*

■ If your teen driver has a restricted license, they *cannot* drive any non-family member under the age of 18 *anywhere*—Not even with an adult seated by them.



2-4-99

## Uninsured Motorists

Hello,

I'm Ron Becker and I live in Wichita, KS. Let me say first that I'm not only representing my self today, but, also my family, friends and co-workers.

My wife was rear-ended at a stoplight by an uninsured motorist. The driver was a 17 year old female. Along with no insurance, she had a suspended driver's license, illegal tag, there was a warrant out for her arrest, and she left the scene of the accident. I have a \$500.00 deductible, and my repair bill was \$492.00. Now am I suppose to go to small claims court if I want to recover my losses?

In doing some research, I found that in 1998 in the city of Wichita alone, there were 19,344 tickets issued to drivers with no proof of insurance on them. It makes one wonder just how many uninsured drivers there really are out on the streets.

I've talked with several insurance agents and they all agreed that the present system just isn't working. They conclude that there just aren't enough teeth in the law.

We have to get tough on people who drive without insurance. Here's what we should do:

Anyone caught driving without proof of insurance, his or her vehicle automatically becomes the property of the State of Kansas. Where as such vehicles are to be auctioned and the proceeds go to help fund this process and pay restitution to victims like myself.

I'm not here for revenge but as a victim. By being here I hope to accomplish two things. First, I want to make our streets safer by keeping reckless and irresponsible drivers off the road, and second, I want to believe that when given the opportunity, honest citizens like you and me can make a difference.

Thank You,  
Ron Becker  
1822 E. Fernwood  
Wichita, KS. 67216  
316-832-8885

ATTACHMENT ~~#1~~ #11  
February 4, 1999  
House Insurance Comm.

MEMORANDUM

TO: Rep. Bob Tomlinson, Chair  
House Insurance Committee

FROM: William W. Sneed  
The State Farm Insurance Companies

DATE: February 4, 1999

RE: HB 2091

---

Mr. Chairman, members of the committee, my name is Bill Sneed and I appear today on behalf of the State Farm Insurance Companies. State Farm is the largest auto insurer in the state, providing approximately one-fourth of all auto insurance coverage to Kansans. We appreciate this opportunity to express our concerns regarding HB 2091.

First, we would like to put the problem of uninsured motorists in perspective. Though it is difficult to estimate the number of uninsured motorists in this state, projections range from 3 to 10 percent of the driving population. We believe the number to be on the lower end of this range. Studies of the issue across the country have consistently placed Kansas among the lowest tier of states with an uninsured "problem." Kansas has been listed as 48<sup>th</sup> in terms of the size of the state's uninsured motorist population.

HB 2091 attempts to address the issue of uninsured motorists in part by requiring that auto insurers offer a policy which contains a zero-deductible option where the

ATTACHMENT #1512  
February 4, 1999  
House Insurance Comm 127  
+18

deductible is waived when the damage is caused by an uninsured motorist. We are concerned with the notion of a mandatory offer of a policy with a zero-deductible option. A deductible is that part of the total claim for damages which an insured pays him or herself. Many companies, including State Farm, offer a variety of policies with different deductibles. This allows the insured to choose, in part, the level of coverage available on a claim.

All other things being equal, generally, low-deductible auto policies carry higher premiums than higher-deductible policies. This is so because in purchasing a low-deductible policy, an insured has decided that he or she will pay more in premium in exchange for less responsibility on a claim when it occurs, i.e., the lower deductible. An insured who purchases a higher-deductible policy has decided to pay somewhat less premium in exchange for more responsibility on a claim when it occurs. Either way, the insured has exercised a choice in purchasing auto insurance.

Zero-deductible policies for collision damage are rare, if not virtually non-existent. Such a policy is not feasible in today's marketplace for two reasons. First, such a policy would carry a cost-prohibitive price tag. Second, such a policy would operate to encourage fraud.

The first problem with a zero-deductible policy is easy to understand. The auto insurer would have to charge a higher premium because it would be assuming complete responsibility for every collision damage claim involving an uninsured driver. Higher premiums clearly do not encourage the purchase of insurance.

The second problem, the fraud problem, also relates to cost. The existence of a zero deductible for only a certain class of damage (damage caused by uninsured drivers)

would likely raise the incidence of false reports that damage to an insured vehicle had been done by an uninsured driver, when in fact the damage had been caused by the insured or some other source, triggering the regular collision damage deductible under the policy. In other words, some individuals may be tempted to blame a phantom uninsured motorist for damage to an insured vehicle in order to avoid paying a deductible under the policy. This sort of fraud contributes to the cost of premiums for all insureds.

For these reasons, we urge the committee not to support the zero-deductible provisions of this bill. We appreciate the opportunity to express our concerns. Please do not hesitate to contact me if you have questions or need further information.

Sincerely,



William W. Sneed



## Testimony on House Bill 2091

Presented by Thomas V. Murry

Kansas Association of Insurance Agents

February 4, 1999 - House Insurance Committee

Thank you Mister Chairman and members of the committee for the opportunity to appear in opposition to a portion of House Bill 2091 at today's hearing. I am Tom Murry, and I am the current Vice President and a member of the Executive Committee of the Kansas Association of Insurance Agents. Our association represents over 600 independent agency members across Kansas whose agencies employ nearly 3,500 people, most of whom are licensed agents. I am one of those independent agents from El Dorado, and I also have offices in Emporia, Augusta, and Derby. We employ approximately twenty-five people and represent thousands of Kansas consumers.

I, as well as many members of our association, write a considerable amount of auto insurance for Kansas consumers through an assortment of insurance carriers. I have more than 10 carriers available with which to write auto insurance, which includes national as well as regional companies.

House Bill 2091 contains significant increases in monetary penalties for uninsured motorists, as well as a change in the severity of penalty from a misdemeanor to a felony. It is our view that these are public policy questions that need to be debated by the Kansas Legislature, and do not directly affect the insurance mechanisms involved with auto insurance.

The third proposal in this bill concerning a requirement to offer a "zero deductible" option for collision damage coverage concerns our organization, and causes us to come forward to

ATTACHMENT #13  
February 4, 1999  
House Insurance Comm.  
1311-2

oppose this portion of the bill. The proposed language in Section 1 (j) of House Bill 2091 (which may be found on page 3, line 18 of your bill draft) would add the following language to K.S.A. 40-3107:

*In addition to the mandatory policy contents and coverages required by this section, every insurer shall be required to offer to any applicant for a motor vehicle insurance policy which contains collision damage coverage a zero deductible option. A "zero deductible" is a provision which waives the insured's deductible where the collision damage is caused by an uninsured motorist.*

Of all of the auto markets that I have available, I'm not aware of any carrier currently offering a zero deductible on collision and the reasons are relatively clear. Offering a zero deductible option on collision for uninsured motorists will 1) increase premiums for those who choose the option; 2) convert the policy from an "insurance" policy to a "maintenance" policy; and 3) increase the potential for fraud and significantly increase the number of "hit & run" accidents which, by definition, involved uninsured motorists.

I would like to take a few moments to explain how the process works now for auto claims concerning uninsured motorists in my agency, and what I would see changing if this bill passed in its present form.

We believe that it would not be in the best interests of the insurance consumers of Kansas to pass this language requiring a mandatory zero deductible, and would urge you to remove this language when you consider the passage of this bill. Thank you, and I will attempt to answer any questions that you may have.



# Kansas Association of Property and Casualty Insurance Companies

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## House Insurance Committee Testimony on HB 2091 Presented by David A. Hanson February 4, 1999

### Member Companies:

Armed Forces Insurance  
Exchange  
Ft. Leavenworth

Bremen Farmers Mutual  
Insurance Co.  
Bremen

Columbia Mutual  
Insurance Group  
Salina

Farm Bureau Mutual  
Insurance Co.  
Manhattan

Farmers Alliance Mutual  
Insurance Company  
McPherson

Farmers Mutual  
Insurance Co.  
Ellinwood

Kansas Mutual Insurance Co.  
Topeka

Marysville Mutual  
Insurance Co.  
Marysville

Mutual Aid Association of  
the Church of the Brethren  
Abilene

Upland Mutual Insurance, Inc.  
Chapman

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to present information on behalf of the Kansas Association of Property and Casualty Insurance Companies, whose members are domestic insurance companies in Kansas.

Our members are concerned with the provisions of House Bill 2091 and would urge your careful consideration of the proposed amendments. Specifically, we are concerned with the required mandate that motor vehicle liability insurance, which is already mandatory for vehicle owners, should now be required to offer a zero deductible option for collision damage coverage, which itself is optional. In other words, the amendment would try to mandate insurance companies to offer a zero deductible option on optional coverage in conjunction with mandatory liability coverage. No doubt this will cause some confusion as to what is required.

Collision damage coverage is an optional coverage that is currently offered with various deductible levels. The proposed amendment would require companies to create new coverage terms, definitions and endorsements to provide a zero deductible option. Thus, policy language, forms and applicable rates will need to be revised, reprinted, filed with the Insurance Department, and then issued for use, which will be a significant expense.

We are also concerned that the zero deductible option may significantly increase the cost of collision damage coverage, potentially an additional \$8-15 per car, depending on the type of vehicle and the amount of the deductible chosen. The cost could be increased even more if the zero deductible option results in increased usage or frequency of claims. Specifically, usage and frequency will be affected by whether the zero deductible option avoids the deductible limit otherwise selected for collision coverage. In other words, a person may currently have collision coverage with a \$500 deductible. If that person has a minor collision with only \$250 damage, there is no covered claim. Under the proposed amendment, if that same person has elected the zero deductible option and claims the collision was caused by an uninsured motorist, a question arises whether the claim is now covered since the person chose the zero deductible option or if

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David A. Hanson  
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the claim is covered only if it exceeds the regular deductible. This determination will clearly affect usage and frequency, which in turn affect the underwriting and the rates to be charged for the coverage. Rates will significantly increase for collision coverage if companies are required to start paying for every nick and scratch allegedly caused by an uninsured motorist. Obviously, there will be more incentive for fraud and collusion where people can choose a higher deductible, such as \$1,000, and then avoid the deductible altogether by claiming all damage was caused by an uninsured motorist. We would therefore suggest that the uninsured motorist must be an identified person from whom the insurance company can seek reimbursement for the damages.

With regard to the other proposed amendments to increase fines and penalties for failing to maintain insurance, we are concerned that the increases may have the unintended effect of forcing some people out of the system that might otherwise try to comply with the current laws. However, we also believe that effective enforcement is needed.

We appreciate your consideration of these concerns and we would urge you not to pass House Bill 2091 in its present form.

Respectfully,



DAVID A. HANSON

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FARMERS

KANSAS STATE OFFICE  
10850 Lowell Avenue  
Overland Park, Kansas 66210  
Bus number: (913) 661-6580  
Fax number: (913) 323-6172

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House Bill 2091  
House Insurance Committee  
February 4, 1999  
Testimony by Lee Wright

Mr. Chairman and members of the committee. My name is Lee Wright and I am representing the Farmers Insurance Group of Companies. Thank you for this opportunity to appear today in opposition to House Bill 2091.

There are two major changes being requested by the Department of Insurance in this bill. One proposes a substantial increase in the fines and penalties for motor vehicle owners who do not maintain motor vehicle liability insurance. The other requires companies to offer a mandatory deductible waiver option on collision coverage which would apply in the event of an accident with uninsured motorist.

We are unaware of any evidence that indicates stiffer monetary fines will substantially reduce a state's uninsured motorist population. However, we would leave this policy decision up to the wisdom of the committee and take no position ourselves.

Farmers is opposed to the "zero deductible" provision for several reasons. To begin with,

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allowing a deductible waiver in uninsured motorist accidents will increase collision insurance costs. \$250 and \$500 are the most popular deductible options purchased by our customers. Assuming they are evenly weighted in popularity, an additional \$375 in claims costs will be added to each loss caused by an uninsured motorist. This equates to an increase in claims costs for losses involving uninsured motorists of approximately 67% of our average annual premium, (\$561 is the average annual premium charged for full coverage ie.,  $\$375 \div \$561 = 67\%$ .) This will put upward pressure on rates.

Another alarming feature of this "zero deductible" provision is its disregard for the Kansas comparative fault statute. This bill reads that when an insured and uninsured motorist collide, the insured motorist could be 99% at fault for the accident and still have their deductible waived. However, the insurance company would be barred from subrogation because the insured driver was more than 50% at fault. This scenario will also result in upward pressure on rates, since the entire amount of the claim, including the deductible will be borne by the insurance company.

For these reasons, we would respectfully request the committee oppose passage of HB2091.



# Fairness Kansas

728 1/2 SW Kansas Topeka KS 66603

*Bret Landrith*  
Director Governmental  
Affairs

Dear Kansas House Insurance Committee,

We are a grass roots political action group concerned mainly with state budgetary items. However, many in our membership have voiced concern over the proposed amendment to increase penalties against uninsured drivers. We would like to point out to your committee that the Insurance commissioner's basis for increased penalties is flawed. Automobile liability insurance is an economic good that no Kansas driver would rationally choose to go without. The commissioner's management of our current regulated market has created an environment where Kansans with the lowest incomes are subject to the highest non risk annual rates. Her department reports these people pay as much as \$2,400 in annual premiums. Only increased competition for voluntary customers can reduce rates to where all Kansans can obtain auto liability insurance.

The proposed legislation in **HB 2091** raises the fine up to \$2,500 for the first offense and makes the second offense a *severity level 7, non person felony*. Our interviews have found many instances where insurance companies drop monthly paying customers without advance notice for tickets and accidents. The people who are paying monthly are doing so because auto liability is 18% of the disposable income of the working poor in our state according to a 1998 US House study. This bill will criminalize many Kansans we are trying to help off welfare or to recover from substance abuse.

Also, the Insurance Commission is concealing the effects of our social decision to eliminate driving under the influence. Kansas has an unreported extreme epidemic of people driving on suspended licenses. While state agencies stopped tracking these statistics for budgetary reasons in 1994 and 1995, the economic ramifications of first and second DUI on insurance premiums are well known and have been incorporated into state sponsored advertising campaigns.

It is our hope that you will further research these issues before considering the adoption of this legislation.

Sincerely,



Bret Landrith

phone 1-785-234-8624

e-mail: [bdland@sunnetworks.net](mailto:bdland@sunnetworks.net)  
ATTACHMENT #14  
FEBRUARY 4, 1999  
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FB

# THE WICHITA EAGLE

## OPINION LINE

Wednesday, September 30, 1998

Regarding "Sebelius wants car insurance crackdown," Sept. 23 Local & State: Insurance costs, by (Kansas Insurance Commissioner Kathleen) Sebelius' own estimates, run as high as \$2,400 per year. Why would anyone pay as much as his vehicle is worth on an annual basis just to satisfy the state government? Many people without insurance are in that condition, because they would rather have necessities such as food and rent.

# THE WICHITA EAGLE

## OPINION LINE

Wednesday, September 30, 1998

Kathleen Sebelius: Rather than imprisoning people who can't pay their car insurance, I think you should be looking at the criminally high rates that the insurance companies are charging.



X-Lotus-FromDomain: KDOR  
From: "Marcy Ralston" <Marcy\_Ralston@kdor.state.ks.us>  
To: bdland@sunnetworks.net  
cc: "Sheila Walker" <Sheila\_Walker@kdor.state.ks.us>  
Date: Wed, 3 Feb 1999 13:24:51 -0600  
Subject: Suspension Statistics

The following are Driver Control's statistics you've requested regarding the number of suspension orders issued per calendar year and the breakdown for insurance suspensions.

	1997	1998	1991	1992	1993	1994	1995	1996
Total Suspensions			41897		62750	57460	78244	71576
	104289	98227	108600					
Accidents w/o Insurance			3398	2569	3852	5926	6269	
	7382	7910	6941					
Insurance Lapse			9245	13015	11539	19633	14264	
	25536	17555	18764					

Office of the Secretary  
Kansas Department of Revenue  
915 SW Harrison St.  
Topeka, KS 66612-1588



(785) 296-3041  
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Hearing Impaired TTY (785) 296-3909  
Internet Address: www.ink.org/public/kdor

Office of the Secretary

TESTIMONY

**TO:** Rep. Robert Tomlinson, Chairman  
House Insurance Committee Members

**FROM:** Sheila Walker, Special Assistant *Sheila Walker*

**DATE:** February 4, 1999

**SUBJECT:** House Bill 2091

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Good afternoon, Rep. Tomlinson and members of the House Committee on Insurance. My name is Sheila Walker, and I serve as Special Assistant to the Secretary of the Kansas Department of Revenue. I appreciate the opportunity to provide testimony today regarding House Bill 2091.

The Kansas Division of Motor Vehicles can administer the changes proposed in this bill. However, without specifically supporting or opposing the bill, we would respectfully like to express a few concerns about its impact on our customers.

House Bill 2091 increases reinstatement fees by 1,000 percent for drivers who fail to maintain continuous financial security on their vehicles. A vehicle owner who cancels his insurance because he can't afford it may not be able to afford the reinstatement fees in this bill. He could, therefore, continue to drive without insurance *and* without a drivers license. This could very well accomplish the opposite of the intent of the bill – to ensure that only insured, licensed drivers are on the road.

Again, the Kansas Division of Motor Vehicles can implement this bill, and we do appreciate your consideration.

*ATTACHMENT #17  
February 4, 1999  
House Insurance Comm.*