

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2305

As Recommended by House Committee on
Insurance

Brief*

HB 2305 would amend a provision of KSA 40-284 relating to underinsured motorist coverage by permitting a person to collect on underinsured motorist coverage to the limits of the amount of liability actually available to the injured insured.

Background

HB 2305 was introduced by the House Committee on Insurance at the request of Representative Grant. An attorney presented testimony in support of the bill describing an unintended effect in existing law relating to underinsured motorist coverage. Conferees testifying in opposition to the bill included representatives of State Farm Insurance Companies, Inc. and the Kansas Association of Property and Casualty Insurance Companies. Written testimony opposing the bill was provided by a representative of the Farmers Alliance Insurance Companies. The opponents indicated that the proposed language could cause a shift in how current underinsured motorist coverage is applied and claims are paid and in the cost of underinsured motorist coverage.

The fiscal note prepared by the Division of the Budget stated that the Kansas Insurance Department indicates passage of the bill would have no fiscal effect on its operations. The fiscal note further states that any fiscal effect on consumers and insurance companies could not be estimated.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>