

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 18, 2006 in Room 234-N of the Capitol.

All members were present.

Committee staff present:

Terri Weber, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Secretary

Conferees appearing before the committee:

Proponent
Jarrod Forbes, Kansas Insurance Dept.
Neutral
Carmen Aldritt, Dept. Of Revenue

Others attending:

See attached list.

The Chair called the meeting to order. Bruce Kinzie from the Revisor of Statutes office reported in place of Melissa Calderwood regarding (**SB 321**). Mr. Kinzie said (**SB 321**) directs the Department of Revenue to develop and implement an electronic motor vehicle financial security verification system. This would be done in consultation with the Department of Insurance, law enforcement agencies, county agencies and insurance companies. Mr. Kinzie said there are at least 23 states trying to solve the issues of the uninsured motorist through data verification of some sort.

Overview of SB 321

The Chair introduced Jarrod Forbes from the Kansas Insurance Department. Mr. Forbes said (**SB 321**) is a proposal to amend K.S.A. 40-3118 which would develop and implement an electronic motor vehicle financial security verification system in the State of Kansas. He said the Kansas Insurance Department currently estimates 8 to 9 percent of the driving population is doing so without the required insurance.

Mr. Forbes said the Kansas Insurance Department has been interested for a long time in making sure people maintain automobile insurance and they believe this legislation is intended to further that cause. He said the Kansas Insurance Department wants to offer their assistance in finding a workable solution to uninsured motorists in Kansas and one that strives towards uniformity nationally.

Mr. Forbes said the time frame allowed for in the bill gives the legislature the opportunity to review other states' implementation issues and the availability of vendors who can provide the needed technology.

(Attachment 1)

The Chair called on Scott Lakin, National Coordinator with Insured Vehicle Identification Network. Mr. Lakin said he was here to thank the committee for (**SB 321**) and also to be a resource for the committee. Mr. Lakin said there are at least 23 states trying to solve the issues of the uninsured motorist through data verification of some sort. He said there is a clear lack of national insurance regulatory leadership regarding this issue. The insurance industry has been working on a solution to address this issue. Mr. Lakin said there is an obvious need for a uniform cost effective approach with law enforcement tools that would achieve the criteria identified by the Texas and NAIC study. He said the Property and Casualty Insurance Committee recommends that the NAIC, in cooperation with AAMVA, IICMVA and national insurance trade association proceed, subject to certain guidelines, with preliminary work on the possible development of a uniform cost effective approach, including discussions with vendors on technology and operational issues surrounding implementation. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE Senate Financial Institutions and Insurance Committee at 9:30 A.M. on January 18, 2006 in Room 234-N of the Capitol.

The Chair next called on Carmen Aldritt with the Department of Revenue. She also gave an overview of **(SB 321)**. Marcy Ralston, Chief of Driver Control Bureau, was present to answer any questions. Ms. Ralston was invited back on Thursday, January 19, to testify before the committee and answer further questions.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for January 19, 2006, 9:30 a.m.