Testimony of Christine Peterson, Enterprise Leasing Company of KS LLCs
House Insurance Committee
House Bill 2067
February 4, 2015

Mr. Chairman and members of the Committee,

I appreciate the opportunity to present concerns regarding House Bill 2067. While I appreciate the intentions of the proponents, I believe that passage will have the unintended consequences of more drivers going without any coverage at all. Enterprise Holdings with a fleet of more than 5000 vehicles in Kansas. On behalf of our more than 450 employees who live and work in this state and the tens of thousands of car rental customers in our state, I am writing to request that you oppose HB 2067.

This proposal would significantly increase the mandated minimum financial responsibility limits for all vehicle owners from 25/50/10 to 50/75/35. The bodily injury for one person would double (200%), the bodily injury for two or more persons would increase by fifty percent (50%) and the property limits would increase three hundred and fifty percent (350%). HB2067 will consequently increase our business operating costs at a time when we are already dealing with rising vehicles costs. If HB 2067 passes, we will have no choice but to pass some of these costs to our customers, a majority of whom are Kansas residents renting to either replace a car that is in the shop for repair, use on business or government travel or simply to fill a special vehicle need.

But the MFR increase in HB2067 affects more than just rental car companies and our customers. These new limits, if passed, will very likely result in more *uninsured* drivers on our roads. Why? Higher MFR leads to higher insurance claims and, therefore, higher insurance premiums for all policy holders in Kansas. With this increase in premiums, insurance will be less affordable for some car owners, especially for those lower-income policy holders electing to carry MFR today. How many of our current Kansas policy holders will elect to drop their coverage altogether and join the roughly 9% of Kansas vehicles on the road that are already uninsured? Or will raising the entry level for insurance coverage help bring the current uninsured vehicles into compliance with current laws? That answer is no.

As a resident of Kansas for the last twenty years and the mother of three young adults, I have a concern with the current number of uninsured vehicles on Kansas roads. Additional I personally understand my financial responsibility to keep all my vehicles properly insured. However I also understand that low income families are sometime faced with choosing between insurance and other daily expense for their families.

By increasing these limits, Kansas would rank with some of the highest limits in the country. I have included current limits by state (attachment). On single bodily injury, Kansas is consistent with most other states. The increase in this category would tie Kansas with only two other states for the higher limits (Maine and Alaska). For bodily injury of two or more people, this increase would rank us, again, the third highest limits in the country, with Alaska and Maine as the only states higher. At a limit of 35 for property, Kansas would be the highest limits currently on record, even exceeding Maine and Alaska.

Please keep in mind that under existing law, the consumer has the choice of increasing their own minimum limits, a choice that should remain in the marketplace, not as a mandate of state law. An across-the-board change of this nature will ultimately harm consumers. A change of this nature will only benefit the special interest of trial lawyers, not Kansas consumers.

I respectfully request that you oppose this legislation. If you have any questions, or need any additional information, please do not hesitate to contact me.

Christine K. Peterson
Group Controller
Enterprise Leasing Company of KS, LLC

AUTOMOBILE FINANCIAL RESPONSIBILITY LIMITS AND ENFORCEMENT BY STATE

State	Insurance required (1)	Minimum liability limits (2)	Insurer verification of insurance (3)
AL	BI & PD Liab	25/50/25	c, d
AK	BI & PD Liab	50/100/25	a
AZ	BI & PD Liab	15/30/10	a, b
AR	BI & PD Liab, PIP	25/50/25	b, d
CA	BI & PD Liab	15/30/5 (4)	a, b, d
CO	BI & PD Liab	25/50/15	a, d
CT	BI & PD Liab	20/40/10	a
DE	BI & PD Liab, PIP	15/30/10	a, b, c, d
DC	BI & PD Liab, UM	25/50/10	a, c, d
FL	PD Liab, PIP	10/20/10 (5)	a, d
GA	BI & PD Liab	25/50/25	a, d
HI	BI & PD Liab, PIP	20/40/10	a
ID	BI & PD Liab	25/50/15	none
IL	BI & PD Liab, UM	25/50/20	a, b, c
IN	BI & PD Liab	25/50/10	a
IA	BI & PD Liab	20/40/15	a
KS	BI & PD Liab, PIP, UM,UIM	25/50/10	a,c
KY	BI & PD Liab, PIP	25/50/10 (5)	a, d
LA	BI & PD Liab	15/30/25	a, d
ME	BI & PD Liab, UM, UIM	50/100/25 (6)	b
MD	BI & PD Liab, PIP (7), UM, UIM	30/60/15	a
MA	BI & PD Liab, PIP, UM, UIM	20/40/5	a, d
MI	BI & PD Liab, PIP	20/40/10	a
MN	BI & PD Liab, PIP, UM, UIM	30/60/10	a, c
MS	BI & PD Liab	25/50/25	a, d
MO	BI & PD Liab, UM	25/50/10	a, c, d
MT	BI & PD Liab	25/50/10	d
NE	BI & PD Liab, UM, UIM	25/50/25	a, b, d
NV	BI & PD Liab	15/30/10	a, d
NH	FR only, UM	25/50/25 (6)	a
NJ	BI & PD Liab, PIP, UM, UIM	15/30/5 (8)	a, d

AUTOMOBILE FINANCIAL RESPONSIBILITY LIMITS AND ENFORCEMENT BY STATE

State	Insurance required (1)	Minimum liability limits (2)	Insurer verification of insurance (3)
NM	BI & PD Liab	25/50/10	a, c
NY	BI & PD Liab, PIP, UM	25/50/10 (9)	a, d
NC	BI & PD Liab, UM, UIM (10)	30/60/25	a, d
ND	BI & PD Liab, PIP, UM, UIM	25/50/25	c
OH	BI & PD Liab	25/50/25	a, c
OK	BI & PD Liab	25/50/25	a, c, d
OR	BI & PD Liab, PIP, UM, UIM	25/50/20	a, c
PA	BI & PD Liab, PIP	15/30/5	a
RI	BI & PD Liab	25/50/25 (5)	d
SC	BI & PD Liab, UM	25/50/25	a, d
SD	BI & PD Liab, UM, UIM	25/50/25	a
TN	BI & PD Liab	25/50/15 (5)	a, d
TX	BI & PD Liab	30/60/25	a, d
UT	BI & PD Liab, PIP	25/65/15 (5)	d
VT	BI & PD Liab, UM, UIM	25/50/10	c
VA	BI & PD Liab (11), UM, UIM	25/50/20	a, b, c, d
WA	BI & PD Liab	25/50/10	a
WV	BI & PD Liab, UM	25/40/10	a, d
WI	BI & PD Liab, UM, UIM	25/50/10	a
WY	BI & PD Liab	25/50/20	c, d