



FARMERS
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**To: The Honorable Scott Schwab - Chairman
House Insurance Committee**

**From: Lee Wright - Government & Industry Affairs Manager
Farmers Group, Inc.**

Subject: House Bill 2249

Position: Support

Mr. Chairman and members of the Committee, my name is Lee Wright and I am the Kansas Government Affairs Manager for Farmers Insurance. Farmers has been in business in Kansas since 1930. We are also the largest insurance company employer in the state with nearly 2500 employees working in Kansas. Thank you for allowing us to provide written testimony in support of HB 2249.

Farmers Insurance supports the efforts of the innovative “sharing” companies to respond to demand and provide services to consumers in different ways. However, Farmers opposes efforts by transportation network companies (TNCs) to force insurance companies to cover TNC risks under existing personal auto policies that have not been priced to include this risk. States have long recognized that cars for hire pose a very different risk than a typical personal use driver. For this reason, personal auto insurance policies generally exclude coverage when operating a car for hire.

TNC drivers and/or networks must obtain additional auto insurance to avoid gaps in coverage and comply with state laws. Whether the additional insurance is commercial insurance or an endorsement to the personal auto policy (e.g., business use endorsement or a pizza delivery endorsement), this coverage must commence as soon as the driver makes him or herself available for hire, or is “on duty”.

In addition, personal auto insurers should not be prohibited from considering a driver’s participation in a TNC when making rating or underwriting decisions. However, we believe these new types of exposures can be underwritten and priced in a way that benefits all consumers.

We appreciate the opportunity to provide written testimony and would respectfully request the Committee find House Bill 2249 favorable for passage.