

HOUSE BILL No. 2446

By 2015 Special Committee on Insurance

1-11

1 AN ACT concerning insurance; relating to motor vehicle liability
2 insurance; increasing minimum policy limit for property damage;
3 amending K.S.A. 40-3107 and repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 40-3107 is hereby amended to read as follows: 40-
7 3107. Every policy of motor vehicle liability insurance issued **or renewed**
8 **on or after January 1, 2017**, by an insurer to an owner residing in this
9 state shall:

10 (a) Designate by explicit description or by appropriate reference of all
11 vehicles with respect to which coverage is to be granted;

12 (b) insure the person named and any other person, as insured, using
13 any such vehicle with the expressed or implied consent of such named
14 insured, against loss from the liability imposed by law for damages arising
15 out of the ownership, maintenance or use of any such vehicle within the
16 United States of America or the Dominion of Canada, subject to the limits
17 stated in such policy;

18 (c) state the name and address of the named insured, the coverage
19 afforded by the policy, the premium charged and the policy period;

20 (d) contain an agreement or be endorsed that insurance is provided in
21 accordance with the coverage required by this act;

22 (e) contain stated limits of liability, exclusive of interest and costs,
23 with respect to each vehicle for which coverage is granted, not less than
24 \$25,000 because of bodily injury to, or death of, one person in any one
25 accident and, subject to the limit for one person, to a limit of not less than
26 \$50,000 because of bodily injury to, or death of, two or more persons in
27 any one accident, and to a limit of not less than ~~\$10,000~~\$25,000 because
28 of harm to or destruction of property of others in any one accident;

29 (f) include personal injury protection benefits to the named insured,
30 relatives residing in the same household, persons operating the insured
31 motor vehicle, passengers in such motor vehicle and other persons struck
32 by such motor vehicle and suffering bodily injury while not an occupant of
33 a motor vehicle, not exceeding the limits prescribed for each of such
34 benefits, for loss sustained by any such person as a result of injury. The

1 owner of a motorcycle, as defined by K.S.A. 8-1438, and amendments
2 thereto or motor-driven cycle, defined by K.S.A. 8-1439, and amendments
3 thereto, who is the named insured, shall have the right to reject in writing
4 insurance coverage including such benefits for injury to a person which
5 occurs while the named insured is operating or is a passenger on such
6 motorcycle or motor-driven cycle; and unless the named insured requests
7 such coverage in writing, such coverage need not be provided in or
8 supplemental to a renewal policy when the named insured has rejected the
9 coverage in connection with a policy previously issued by the same
10 insurer. The fact that the insured has rejected such coverage shall not cause
11 such motorcycle or motor-driven cycle to be an uninsured motor vehicle;

12 (g) notwithstanding any omitted or inconsistent language, any
13 contract of insurance which an insurer represents as or which purports to
14 be a motor vehicle liability insurance policy meeting the requirements of
15 this act shall be construed to obligate the insurer to meet all the mandatory
16 requirements and obligations of this act;

17 (h) notwithstanding any other provision contained in this section, any
18 insurer may exclude coverage required by subsections (a), (b), (c) and (d)
19 of this section while any insured vehicles are:

20 (1) Rented to others or used to carry persons for a charge, however,
21 such exclusion shall not apply to the use of a private passenger car on a
22 share the expense basis; *or*

23 (2) being repaired, serviced or used by any person employed or
24 engaged in any way in the automobile business. This does not apply to the
25 named insured, spouse or relative residents; or the agents, employers,
26 employees or partners of the named insured, spouse or resident relative;
27 and

28 (i) in addition to the provisions of subsection (h) and notwithstanding
29 any other provision contained in subsections (a), (b), (c) and (d) of this
30 section, any insurer may exclude coverage:

31 (1) For any damages for which the United States government might
32 be liable for the insured's use of the vehicle;

33 (2) for any damages to property owned by, rented to, or in charge of
34 or transported by an insured, however, this exclusion shall not apply to
35 coverage for a rented residence or rented private garage;

36 (3) for any obligation of an insured, or the insured's insurer under any
37 type of workers' compensation or disability or similar law;

38 (4) for liability assumed by an insured under any contract or
39 agreement;

40 (5) if two or more vehicle liability policies apply to the same
41 accident, the total limits of liability under all such policies shall not exceed
42 that of the policy with the highest limit of liability;

43 (6) for any damages arising from an intentional act;

1 (7) for any damages to any person who would be covered for such
2 damages under a nuclear energy liability policy;

3 (8) for any obligation of the insured to indemnify another for
4 damages resulting from bodily injury to the insured's employee by
5 accident arising out of and in the course of such employee's employment;

6 (9) for bodily injury to any fellow employee of the insured arising out
7 of and in the course of such employee's employment;

8 (10) for bodily injury or property damage resulting from the handling
9 of property:

10 (A) Before it is moved from the place where it is accepted by the
11 insured for movement into or onto the covered auto; or

12 (B) after it is moved from the covered auto to the place where it is
13 finally delivered by the insured;

14 (11) for bodily injury or property damage resulting from the
15 movement of property by a mechanical device, other than a hand truck, not
16 attached to the covered auto; and

17 (12) for bodily injury or property damage caused by the dumping,
18 discharge or escape of irritants, pollutants or contaminants; however, this
19 exclusion does not apply if the discharge is sudden and accidental.

20 ~~(j) Commencing with the 2026 legislative interim period, and at~~
21 ~~least every 10 years thereafter, a legislative interim study committee~~
22 ~~shall study the issue of whether the minimum limits of liability in~~
23 ~~subsection (c) should be adjusted.~~

24 Sec. 2. K.S.A. 40-3107 is hereby repealed.

25 Sec. 3. This act shall take effect and be in force from and after
26 **January 1, 2017, and** its publication in the statute book.