

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:37 a.m. on February 11, 2010, in Room 152-S of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes  
Julian Efird, Kansas Legislative Research Department  
Jill Shelley, Kansas Legislative Research Department  
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

John Federico, Lobbyist representing Overstreet Pass  
Professor Steven Umbach, Product Development, Overstreet Pass  
Carmen Alldritt, Director of Division of Vehicles, Kansas Department of Revenue

Others attending:

See attached list.

Presentation on vehicle insurance verification.

John Federico on behalf of Overstreet Pass, acknowledged previous conferees before the Committee on the subject of uninsured motorist, all with interest in addressing the problem. Overstreet Pass wants to be part of the process to find a solution to fix the problem, and believes that it should be as simple and uncomplicated as possible while achieving its intended results.

Mr. Federico stated that in the February 9, 2010 testimony of Loren McGlade, Chairman of the Insurance Industry Committee on Motor Vehicle Administration, Mr. McGlade mentioned that the cause of the uninsured motorist problem can be broken into three areas:

- 1) difficulty in enforcement
- 2) unintentional lapses in insurance coverage
- 3) intentional lapses in insurance coverage

He continued, stating that Overstreet Pass plan goes a long way to addressing all three of those problems and introduced Professor Steven Umbach, Product Development, Overstreet Pass, to offer their information.

Professor Steven Umbach, presented a product development status overview of the Overstreet Pass System for vehicle insurance verification (Attachment 1). He indicated that their system is a simple, whole-system approach solution for addressing the uninsured motorist problem that doesn't require major investments in new technology or infrastructure including:

- a real-time device that is installed inside of the windshield of an automobile
- device provides real time compliance indication to the outside of the vehicle
- device is tamper-resistant and easily programmed
- insurance companies can utilize current in-house computer systems and existing customer databases in order to program the device

Following the presentation, the Chairman called the Committee's attention to information of other state's programs for vehicle insurance verification. Jill Shelley, Kansas Legislative Research Department, presented a briefing on vehicle insurance verification in other states. She distributed a comparison chart of six states' "instant" motor vehicle insurance verification systems (Attachment 2).

Carmen Alldritt, Director of Division of Vehicles, Kansas Department of Revenue provided comments in regard to the Division's position on vehicle insurance verification. She stated that Kansas receives data from 250 insurance companies and this information is updated monthly. The number one problem is the

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mismatches on information, mistakes made on VIN numbers, misspelled names, and insurance policy numbers. She indicated that Kansas, in particular, the Division of Vehicles, does not want to be in the insurance business because it consumes a tremendous amount time. Director Alldritt continued, referring to the requirements for consideration by the Task Force on Electronic Motor Vehicle Financial Security Verification. This Task Force met over a three-year period with the last meeting held on December 11, 2008 (Attachment 3).

The meeting was adjourned at 9:32 a.m. The next meeting is scheduled for February 12, 2010.