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**Testimony of Christine Peterson
Enterprise Leasing Company of KS, LLC
House Committee on Insurance and Financial Institutions
House Bill 2104, Opposition Testimony
February 14, 2017**

Mr. Chairman and members of the Committee,

I appreciate the opportunity to present concerns regarding House Bill 2104. My name is Chris Peterson and I am appearing on behalf of Enterprise Leasing and Enterprise Rent-A-Car. Enterprise has over 500 employees who live and work in Kansas and a fleet of more than 6,000 vehicles in this state.

By way of background, we participated in the interim Insurance Committee meeting in the fall of 2015, when they studied the issue of raising mandatory minimum financial responsibility limits. We testified in opposition to the proposed increases for reasons outlined below. The Interim Committee did not recommend an increase in the bodily injury liability limits and those limits were not changed in 2016.

We strongly urge you not to pass HB 2104. Please do not increase the bodily injury liability limits. Such an increase would have the unintended consequences of more drivers going with less coverage or without any coverage at all.

Higher MFR leads to higher insurance claims and therefore, higher insurance premiums for all policy holders in Kansas. With an increase in premiums, insurance will be less affordable for some car owners, especially for those lower-income policy holders electing to only carry MFR today. How many of our current Kansas policy holders will elect to drop their coverage altogether and join the roughly 10% of Kansas vehicles on the road that are already uninsured? How many Kansas policy holders will drop full coverage and only carry MFR as their total insurance premium rises? Will raising the entry level for insurance coverage

help bring the current uninsured vehicles into compliance with current laws?
That answer is no.

As you can see from the chart provided by the Kansas Insurance Department, there are only two states that currently require such high limits, Alaska and Maine. In addition only five other states require bodily injury limits above the 25/50 currently required in Kansas.

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

It is important we oppose HB 2104 and not increase BI limits. I have included current limits by state. These are ranked by the highest aggregate bodily limits. Kansas is highlighted in green and all states higher than Kansas are in blue. All states with similar BI limits are in yellow. On MFR for bodily injury, Kansas is consistent with most other states.

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. In addition, consumers can purchase both uninsured motorists coverage and underinsured motorist coverage. An across-the-board change will ultimately harm consumers.

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

Christine K. Peterson
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MFR Limits

<u>State</u>	<u>Claimant</u>	<u>Aggregate</u>	<u>Property Damage</u>
Alaska	\$50,000	\$100,000	\$25,000
Maine	\$25,000	\$100,000	\$50,000
Utah	\$25,000	\$65,000	\$15,000
Maryland	\$30,000	\$60,000	\$15,000
Minnesota	\$30,000	\$60,000	\$10,000
North Carolina	\$30,000	\$60,000	\$25,000
Texas	\$30,000	\$60,000	\$25,000
Alabama	\$25,000	\$50,000	\$25,000
Arkansas	\$25,000	\$50,000	\$25,000
Colorado	\$25,000	\$50,000	\$15,000
District of Columbia	\$25,000	\$50,000	\$10,000
Georgia	\$25,000	\$50,000	\$25,000
Idaho	\$25,000	\$50,000	\$15,000
Indiana	\$25,000	\$50,000	\$10,000
Kansas	\$25,000	\$50,000	\$25,000
Kentucky	\$25,000	\$50,000	\$10,000
Mississippi	\$25,000	\$50,000	\$25,000
Missouri	\$25,000	\$50,000	\$10,000
Montana	\$25,000	\$50,000	\$10,000
Nebraska	\$25,000	\$50,000	\$25,000
New Hampshire	\$25,000	\$50,000	\$25,000
New Mexico	\$25,000	\$50,000	\$10,000
New York	\$25,000	\$50,000	\$10,000
North Dakota	\$25,000	\$50,000	\$10,000
Ohio	\$25,000	\$50,000	\$25,000
Oklahoma	\$25,000	\$50,000	\$25,000
Oregon	\$25,000	\$50,000	\$20,000
Rhode Island	\$25,000	\$50,000	\$25,000
South Carolina	\$25,000	\$50,000	\$25,000
South Dakota	\$25,000	\$50,000	\$25,000
Tennessee	\$25,000	\$50,000	\$15,000
Vermont	\$25,000	\$50,000	\$10,000
Virginia	\$25,000	\$50,000	\$20,000
Washington	\$25,000	\$50,000	\$10,000
Wisconsin	\$25,000	\$50,000	\$10,000
Wyoming	\$25,000	\$50,000	\$20,000
Illinois	\$20,000	\$50,000	\$15,000
Connecticut	\$20,000	\$40,000	\$10,000
Hawaii	\$20,000	\$40,000	\$10,000
Iowa	\$20,000	\$40,000	\$15,000
Massachusetts	\$20,000	\$40,000	\$5,000
Michigan	\$20,000	\$40,000	\$10,000
West Virginia	\$20,000	\$40,000	\$10,000
Arizona	\$15,000	\$30,000	\$10,000
California	\$15,000	\$30,000	\$5,000
Delaware	\$15,000	\$30,000	\$5,000
Louisiana	\$15,000	\$30,000	\$25,000
Nevada	\$15,000	\$30,000	\$10,000
New Jersey	\$15,000	\$30,000	\$5,000
Pennsylvania	\$15,000	\$30,000	\$5,000
Florida	\$10,000	\$20,000	\$10,000