



INDEPENDENT ENERGY & CONVENIENCE

February 14, 2022

Memorandum:

To: House Judiciary Committee
From: Becky Schwartz, Executive Director, Fuel True
Re: Support HB 2694

Chairman and members of the House Judiciary Committee:

My name is Becky Schwartz. I am the Executive Director of Fuel True Independent Energy and Convenience, formally known as the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), a statewide trade association representing over 250 independent Kansas Energy distribution companies and convenience store retailers throughout Kansas.

Chairman Patton and members of the committee, thank you for the opportunity to provide testimony supporting HB 2694.

As stated above, we represent energy distributors, most notably fuel haulers. Our members who haul the fuel are subject to high liability insurance limits (\$5 -10 million). This is the reason behind our support of this legislation. When a truck is involved in an accident, whether it is their fault or not, the other parties know the high liability limits we have to carry. Therefore, many accidents get litigated, again, no matter the fault. The litigation cost is so high that insurance companies push our members to settle. The plaintiff's attorney can involve a third party to finance the case. The plaintiff's attorney can drive up the trial cost because the funding isn't a loan; it is a part of the settlement. The third-party investor is betting on a quick settlement.

Trucking companies, especially those who carry high liability insurance amounts like our fuel haulers, are targets of this type of practice. They have done the right thing by hiring safe drivers, putting cameras in their trucks, and getting accident reconstructionists, but for many small trucking companies, they can't match funding from a third-party investor; it will put them out of business. Our members believe this is one step closer to eliminating the frivolous lawsuits brought against trucking companies by those looking for a nuclear payout.

We ask the committee to support SB 2694.

Thank You.