

KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

October 11, 2017

Interim Study of HB 2104

Testimony Before the Interim Financial Institutions and Insurance Committee

Testimony by Marlee Carpenter, Kansas Association of Property and Casualty Insurance Companies (KAPCIC)

Mr. Chair and Members of the Committee;

Thank you for the opportunity to testify on behalf of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC), our state trade association for domestic property and casualty insurance companies. Most of the KAPCIC member companies are domiciled Kansas companies and our members live and work here in the state.

KAPCIC opposes HB 2104. We oppose two provisions in the bill. First, we oppose the provision on page two that will not allow insurance companies to offset underinsured/uninsured motorist coverage. Insurance companies offset payment from other sources so that the claimant recovers the full amount of the claim, but not more than 100%. If companies are not allowed to offset other sources of payments the price of underinsurance coverage will increase.

In addition, KAPCIC opposed the bodily injury limit increase on page 3 of the bill. KAPCIC members believe that this provision will also increase insurance premiums in the state. The Kansas Automobile Insurance Plan (KAIP) is a member of KAPCIC. KAIP is often referred to as "the assigned risk plan" and is the state's residual market for individuals or businesses who are unable to obtain coverage through the regular voluntary insurance markets. For bodily injury premiums for those insured by KAIP would increase by 34%.

Again, KAPCIC members oppose HB 2104. We believe that this bill will increase premiums and could over-compensate those injured. KAPCIC members support compensating those injured in accidents and believe that this bill will increase insurance rates in the state.

Thank you for your time and please contact me if you have any questions.