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WRITTEN ONLY

October 11, 2017

The Honorable Jeff Longbine
Chairman, Special Committee on Insurance and Financial Institutions
Room 341-E, State Capitol Bldg.
300 SW 10th Street
Topeka, KS 66612

Re: Letter in Opposition to HB 2104

Dear Chairman Longbine and Committee Members:

As a leader in the non-standard insurance industry, The General® opposes HB 2104 due to the harmful impact this legislation would have on the affordability of automobile insurance. Increasing the minimum bodily injury liability coverage limits from 25/50 to 50/100 would also result in an attendant increase in the minimum limits of uninsured and underinsured motorist coverages—which current law requires to be offered in an amount at least equal to bodily injury liability limits. This would result in a premium increase of at least 40-50% for minimum limits bodily injury liability, uninsured and underinsured motorist coverages, which in turn would equal at least a 26-28% increase in overall premium to the minimum limits policyholder.

These are policyholders that struggle to afford insurance at the current rates and many would likely have no option but to drive uninsured because the barrier for entry to the market would be so much higher. We have seen that taking large minimum limits increases in other states does result in a much higher uninsured motorist population particularly among the non-standard industry. Lastly, should this legislation be approved for Kansas, it would be tied for the highest mandatory minimum limits in the country, tied only with Alaska and Maine.

Sincerely,

Nicole Brockman, Director of Corporate Compliance
The General®