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118 S. 7th St., Salina, KS 67401

**To: Senator Jeff Longbine, Chairman
Vice Chair Jim Kelly, Vice Chairman
Members of the Special Committee on Insurance**

**From: Patrik Neustrom
Attorney, Salina**

Date: October 6, 2017

RE: 2017 HB 2104 (SUPPORT)

K.S.A. 40-3102 is our current mandatory automobile insurance compensation system. It's not broke. It is inadequate. How can we make it better, so we are all safer and more secure on the roads of our state?

If you are at fault in a wreck, you do not get paid. If you have little or no fault...but have significant wage loss or medical expense, in Kansas, you also do not get fully paid and sometimes not at all. We need to amend the current law to stop the **offset of at fault driver's** coverage against the **underinsured** coverage all Kansans buy. Or we need to raise limits. I support 2017 HB 2104.

The minimum limits for bodily injury *and for UIM* (25,000/50,000) is NOT enough.

When both drivers have 25/50 policies, the underinsured provision pays zero. There may not enough to pay all the damage, but due to the offset, you cannot get the \$25,000 limit on your own policy- when you are certainly underinsured for the loss and you paid a premium for the coverage.

Policyholders should get the UIM coverage they purchase from their insurance company. HB 2104 stops the UIM "set off" or "off set" while permitting the policyholder to recover the policy limit from the negligent driver.

A change is now needed for all of us. We have a big problem in Salina with uninsured motorists, those who are not responsible or cannot get a driver's license, therefore cannot get insurance. It is time we allowed Kansans to protect themselves from this very real loss. We are not safe. Our families are not safe and financially secure... under current law and insurance practices. We need to address the bidding war for low cost, financially irresponsible insurance coverage. Save \$600 in 15 minutes, and ... and hope you never get hit. This bidding war is hurting small hospitals and Medicaid and the rest of us.

So, yes, I do support 2017 HB 2104

It requires drivers on Kansas roads to have minimal financial security.

It make people at fault fiscally responsible

It helps you as a policyholders get the benefit of the bargain.

It helps us get paid if hit by an irresponsible minimum limit driver.

The Legislature enacted the current bodily injury coverage mandate 36 years ago. 25/50 was "minimum coverage" in 1981. I started practicing law in Salina in 1979. 25/50 was passed two years later. It was an improvement over the 15,000 minimum. I bought a house that year for \$41,000 with a \$300 monthly mortgage including taxes and insurance. I had a 1974 pinto that we got for \$2,000. Ronald Reagan was president. Lady Diana got married. We went to On Golden Pond for 75 cents.

Drivers without adequate financial security are underinsured and they put the public at risk. The responsibility for such medical costs is shifted to the injured, hospitals, doctors, and other health care providers, Medicaid, and Medicare. HB 2104 requires drivers on Kansas roads to have adequate financial security so they can pay for the injuries they cause. We now have a financial insecurity law, but we can provide basic protection by increasing limits, or eliminating the offset.

Danielle's case is representative of many cases we have seen where the policy is not enough to pay medical bills and also get the additional care needed. She is my client. I want you to hear from her.

Sincerely,



Pat Neustrom

Patrik W. Neustrom (patrik@neustrom.com) Nathan T. Mattison (nathan@neustrom.com)

Kelly W. Johnston, Of Counsel (shockerjd@ilopa.com)

Fax 785.827.2425 1.785.825.1505 www.neustrom.com