



December 4, 2015

Members of the Special Committee on Insurance
Rep. Scott Schwab, Chairman

RE: Automobile Insurance Limits
Topic # 2
2015 HB 2067 (Support)

DeVaughn James Injury Lawyers represents individuals who have been hurt in automobile collisions. We have represented over 2,000 Kansans from all corners of the state whose lives have been changed by an automobile collision that was NOT their fault. Someone else chose to drive drunk, run a red light or speed into oncoming traffic, and our clients/your voters suffer. Not only does the collision injure them physically, but it also often leads to financial ruin. The legislature can help this problem.

The current minimum levels of insurance shifts the responsibility for payment of medical bills and expenses from the bad driver to the injured party and government funded health insurance programs.

A significant percentage of our clients are middle to low income Kansas citizens. It is our observation that a vast majority of middle to low income citizens purchase the minimum liability insurance of \$25,000 required by law. These individuals have a desire to comply with the law and often purchase their insurance on line without the benefit of agents to guide them.

We have even represented small business owners or college students who do not understand insurance laws and unknowingly purchase minimum limits. It is also our observation that many of these citizens do not understand or realize the consequences or risks associated with maintaining these minimum liability limits.

On almost a daily basis, we are involved with Kansas citizens who even with relatively moderate injuries have medical expenses that exceed \$25,000 just from the initial ambulance transport and emergency room charges from the trauma centers. When the negligent driver does not have sufficient liability limits, the damages for medical expenses, lost wages and rehabilitation falls on either the injured citizen or the government. Even though the negligent driver caused the injury, the unpaid charges become the responsibility of programs such as

Medicare or Medicaid. When no insurance is available, the health care provider goes unpaid and our hospitals and doctors suffer financially.

One common misconception of our clients is the belief that when they have minimum limits of \$25,000 and the "at fault" driver has \$25,000, they have coverage for being hit by an "underinsured driver" i.e. they think they can get 25,000 from the bad driver and \$25,000 from their own insurance. That is not the case. Pursuant to Kansas Law, the injured person with minimum limits has no underinsured coverage that they can only rely upon. Consider the case of our client Tommie Burton; he has also submitted a written statement. He received less than \$25,000. This is because the minimum limits had to be shared with multiple people since 4 individuals were killed or severely injured. His bills were in excess of \$100,000.

We tend to think only of issues with medical expenses, but when our clients have lost wages due to an extended hospital stay or future lost wages because the injuries prevent them from working or performing their usual occupation, the \$25,000 limit still applies.

There are also issues with the current \$10,000 property damage limit. When the limit was put in place, a new Ford Mustang Coupe could be bought for \$5,338. A 2015 Ford Mustang Coupe costs \$23,900. When implemented, the property damage limit could pay for roughly two new vehicles. The current property damage limit pays for less than half of a new vehicle and then shifts the responsibility to the innocent party.

The cost difference in raising the minimal coverage amount from \$25,000 to \$50,000 is minimal. In our personal cases, the difference was around one dollar a month.

You will hear the testimony of our clients with injuries of all levels that minimum limits need to be raised. It is in the best interest of all Kansans.

Best Regards,



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