



December 7, 2015

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to submit testimony in support of increasing the minimum auto limits in Kansas. My name is Doug Smart. I am a licensed insurance agent and I own and operate Smart Insurance based in Abilene, Kansas.

Like most agents, we typically avoid offering minimum limits auto policies because we are far too aware of the financial - and often emotional - consequences that can result for all parties involved. Here is just one example:

***One of our clients is a soldier whose wife was killed in an auto accident on I-70. The driver who caused the accident was carrying Kansas' minimum limits on his policy. Because the other driver was not required to carry adequate coverage, my client had to turn to his own auto insurance policy to pay the claim on his vehicle. Any time an insured files a claim against their own policy, it tends to result in higher premiums. Therefore, in addition to having to pay out-of-pocket for the uncovered portion of his wife's funeral expenses, he is also paying the price every month through higher auto premiums for an accident that was through no fault of his own.***

This particular claim is a classic example of what happens when drivers are allowed to carry out-of-date minimum limits. The impact doesn't end with the out-of-pocket expenses. As is often the case with accidents involving minimum limits, the insurance company will seek to garnish the other driver's wages in order to recoup their costs on the claim. This keeps the claim open and tied up in court. Meanwhile, as in this instance, our client has suffered a tremendous personal loss with the unnecessary addition of a financial loss and the personal/emotional strain of having to go back to court to recount the accident and the loss of his wife.

Much of the financial and personal burden that falls onto Kansans in these situations could be greatly mitigated if the driver at fault had been carrying an appropriate level of insurance. Today's minimum limits no longer provide appropriate protection for consumers.

I thank you for your careful consideration of modernizing the minimum limits in Kansas. Under the current limits, our state is allowing a gap in auto coverage that not only puts the majority of Kansas drivers at financial risk, but also unnecessarily exacerbates the emotional strain of an auto accident.