

KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

February 11, 2015

HB 2249

Before the House 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 present information on behalf of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC), our state trade association for domestic property and casualty insurance companies.

KAPCIC is here to support HB 2249. KAPCIC members want to ensure that there are no gaps in insurance coverage for drivers that choose to participate in ridesharing agreements. Ride-sharing companies allow private drivers to log into the company's mobile application to locate and pick up customers. Currently, Lyft and Uber operate in approximately 30 states and the District of Columbia, and demand continues to rise. HB 2249 outlines when the driver's personal auto policy will cover any unplanned incidents and when the commercial policy is in effect.

In Kansas, most personal auto liability policies contain exclusions for commercial driving services, so anytime a driver is available for hire or driving a passenger, the driver is likely not covered by his or her personal auto policy. Although a ride-sharing company must provide commercial liability coverage, the overlap between the driver's personal auto policy and the company's commercial coverage is often unclear. HB 2249 helps clarify when a commercial policy is in effect and when a person auto insurance policy is in effect.

KAPCIC members support the provisions in HB 2249 and believe that commercial coverage should apply whenever the TNC driver is logged into a ridesharing smartphone app and looking for a ride. Personal automobile insurance is not intended to cover people who are using their vehicles for commercial purposes. By not requiring a commercial policy as outlined in the bill, gaps in insurance could occur.

KAPCIC believes that HB 2249 will clarify Kansas law and ensure that there are no gaps in insurance coverage. We urge the passage of HB 2249. Thank you for your time and I will be happy to answer any questions.