

SESSION OF 2013

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 85**

As Recommended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

SB 85 would amend vehicle registration laws and the Kansas Automobile Injury Reparations Act to add to the list of methods by which acceptable forms for proof of insurance, self-insurance or other financial security may be provided and permit drivers to present proof of financial security *via* a cellular phone or other type of portable electronic device.

Under current law, a person applying to register a vehicle must provide proof of insurance, self-insurance or other financial security at the time of vehicle registration or renewal. The bill would allow persons to provide proof *via* an image displayed on a cellular phone or any other type of portable electronic device, in addition to photocopy and facsimile.

The bill also would amend provisions relating to a driver's responsibilities when involved in an accident or when requested by law enforcement for providing proof of insurance. Under the bill, a driver would be allowed to produce evidence of financial security by displaying policy information on a cellular phone or other type of portable electronic device.

Persons who review the displayed image of proof of insurance would be prohibited from viewing any other content or information stored on such cellular phone or other portable electronic device.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

KSA 2012 Supp. 40-3118 requires both that a vehicle be insured before it can be registered and that the owner "maintain financial security continuously throughout the period of registration."

The bill was introduced at the request of the Kansas Association of Insurance Agents, whose representative indicated the bill would modernize the state's proof of insurance laws and reduce unnecessary burdens on the consumer and local law enforcement by reducing the time and costs associated with not having paper proof of insurance. A representative for the Property Casualty Insurers Association of America appeared in support of the bill and noted motorists still would be permitted to carry a paper identification card, if preferred, and insurance companies would not be required to offer electronic cards. A representative of the Kansas Association of Property and Casualty Insurance Companies also submitted testimony in support of the bill. There were no opponents present at the Senate Committee hearing.

The Senate Committee recommended the bill be placed on the consent calendar.

The fiscal note prepared by the Division of the Budget stated the Department of Revenue indicates the costs associated with passage of the bill would be negligible and could be absorbed within existing resources. The Kansas Insurance Department indicates the bill would have no fiscal effect on its operation.