



17000 W. 119 Street
Olathe, KS 66061
Mobile: 913 219 2296

March 20, 2015

To: The Honorable Scott Schwab - Chairman
House Insurance Committee

From: Lee Wright - Government & Industry Affairs Manager
Farmers Group, Inc.

Subject: House Bill 2286

Position: Oppose

Mr. Chairman and members of the Committee, my name is Lee Wright and I am the Kansas Government Affairs Manager for Farmers Insurance. Farmers has been in business providing auto insurance to Kansans since 1930. Thank you for this opportunity to appear in opposition to HB 2286.

Farmers Insurance supports the efforts of the innovative “sharing” companies to respond to demand and provide services to consumers in different ways. However, Farmers opposes efforts by transportation network companies (TNCs) to force insurance companies to cover TNC risks under existing personal auto policies that have not been priced to include this risk. States have long recognized that cars for hire pose a very different risk than a typical personal use driver. For this reason, personal auto insurance policies generally exclude coverage when operating a car for hire.

TNC drivers and/or networks must obtain additional auto insurance to avoid gaps in coverage and comply with state laws. Whether the additional insurance is commercial insurance or an endorsement to the personal auto policy (e.g., business use endorsement or a pizza delivery endorsement), this coverage must commence as soon as the driver makes him or herself available for hire, or is “on duty”.

Farmers strongly encourages legislators to draft specific and clear language permitting the participant’s personal vehicle insurer to exclude all coverage and the duty to defend for any loss or injury that occurs in connection with TNC’s. HB 2286 does not provide that necessary specific and clear distinction.

A bill recently approved by the Utah legislature and sent to the Governor contains such language. Uber has expressed their approval of the Utah bill advising the media the legislation will create a sensible regulatory framework for ride sharing across the state of Utah.

With this endorsement from Uber of the Utah bill, we are hopeful Uber will agree to similar statutory language in Kansas that specifically excludes personal auto coverage for all three phases of TNC activity.

Thank you.