

# Legislative Agenda 2024

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# Auto Glass Fraud

- The Florida legislature passed a bill this year aimed at curbing fraud by preventing repair shops from offering anything of value in exchange for making a claim for glass repair/replacement, limiting the assignment of benefits, and providing billing practice guidelines.
- As a result, the Florida companies involved in questionable claims activity immediately registered to do business in Kentucky and starting last May they began filing hundreds of claims.
- Kentucky is a target because we are a no-deductible state for auto glass claims.
- The industry is drafting legislation similar to Florida that will prevent solicitations, inducements, and billing practice guidelines.



# Require Hands-Free Cell Phone Use

- IIK strongly supports highway safety measures.
- Rep. James Tipton has sponsored NCOIL model legislation several years in a row, including HB 12 in 2023.
- A coalition of supporters include the NTSB, Kentucky Office of Highway Safety, Kentucky Motorcycle Association, and a number of safety-minded groups.
- All our surrounding states (except Missouri) now have hands-free laws, and Kentucky is the donut hole.
- It's not aimed at overreach or issuing fines, it's about changing people's habits.
- This law is about protecting your loved ones from the next distracted driver who causes an accident.



# Delivery Network Companies

- DNCs are companies like DoorDash, Uber Eats, and Amazon.
- Used the Uber/Lyft TNC as the model to provide insurance and eliminate gaps in coverage for delivery network drivers who use their personal vehicles for commercial purposes.
- NCOIL adopted a Delivery Network Company (DNC) model act in 2022 and it is expected to amend it in November to make changes to the definition of delivery available period and possibly the delivery service period.
- Rep. Sarge Pollock introduced the DNC bill in 2023 (HB 102).



# Paid Family Leave Insurance Model Act

- IIK and its member, the American Council of Life Insurers, is working with Rep. Samara Heavrin on a bill to authorize a new insurance product in Kentucky.
- The NCOIL Paid Family Leave (PFL) Insurance Model Act provides a framework for states to create a new line of insurance in which an insurer who offers life insurance or disability income insurance may develop and offer a product to provide coverage for paid family leave.
- Since many workers need to take time off work for family reasons, this Model would allow insurers to expand existing income replacement benefits to include paid family leave.
- Employers would offer the product on a voluntary basis.
- IIK is also partnering with the Kentucky Chamber of Commerce to adopt this voluntary program to give employers more tools and incentives to attract and retain workers.



# Litigation Funding

- The P&C insurance industry is opposed to litigation financing and the effort to legalize it.
- Lawsuit loans are not legal in Kentucky. A 2019 federal court voided a litigation funding arrangement in Kentucky as violative of Kentucky champerty and usury laws.
- Lawsuit loans hurt Kentuckians with predatory interest rates that drive up the cost of repayment.
- A fair settlement could be rejected if it doesn't cover the loan repayment. This drives up settlement costs, and the loan recipient may feel no choice but to delay settlement or pursue a costly trial.
- Access to courts to resolve disputes is a fundamental right, but lawsuit loans just encourage and prolong litigation and make consumers prey to high interest rates.



# Fortified “Smart Homes”

- The recent catastrophic storm damage in Kentucky has led to interest by insurance companies to mitigate losses by insureds in the wake of such storms.
- The Insurance Institute for Business and Home Safety (IBHS) is a leader in researching and testing fortified building techniques for wind, hail, rain and fire.
- IIBHS has been in Kentucky since the Western Kentucky tornadoes, working with Habitat for Humanity, non-profits, state agencies, and homebuilders to understand how to rebuild “smart homes” with fortified methods.
- Conversations are ongoing with the building trades, insurers, and the home building industry to explore incentives to build and rebuild with fortified standards.



# Settlements Involving Minors



- In 2022, IIK supported and the legislature passed HB 170 which updated the process for settlements paid to minors.
- Parents of minors could not settle their children's small personal injury claims (\$25,000 or less) without court approval, causing an unnecessarily lengthy and expensive settlement process.
- HB 170 outlined standards, procedures, and a choice for settling small claims involving minors to save the courts, injured minors, and their families time and money, all while protecting the minor.
- The money must be placed into a protected bank account for the minor and may only be accessed by permission of the court or when the minor turns 18.
- However, banks are still reluctant to set up blocked accounts without a court order. We are working with KJA and the bankers to see if tweaks are needed in the law.

# Medicinal Cannabis Exemption

- Medicinal cannabis legislation was passed earlier this year, and the bill does not become law until July 1, 2024, which allows for revisions during the 2024 session.
- IIK is requesting an amendment to exempt P&C insurance policies from the requirement to reimburse a person for the costs associated with the use of medical cannabis.
- The current law excludes workers' compensation, which is part of a casualty insurance policy. IIK is seeking to broaden this exemption.





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**Thank You**