

Legislative Update

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Thank You for a Successful 2024 Legislative Session



- Auto Glass Bill/AOB – SB 29 (Sen. Storm)
- Delivery Network Companies – HB 280 (Rep. Pollock)
- Minor Settlements – SB 158 (Sen. Girdler)
- Workers’ Comp Toler Court Case – HB 401 (Rep. Pollock)
- Paid Family Leave – HB 179 (Rep. Heavrin)
- Data Privacy – HB 15 (Rep. Branscum)
- Medical Cannabis Exemption – HB 829 (Rep. Nemes & Sen. West)
- Fortified Housing – HB 256 (Rep. Pollock)
- Mine Subsidence Insurance – HB 371 (Rep. Williams)

National Council of Insurance Legislators



- Public Adjusters Legislation (HB 232 – Reps. Duvall/Meredith)
- Auto Glass Fraud (SB 29 – Sen. Storm)
- Fortified Housing (HB 256 – Rep. Pollock)

Recent NCOIL Models Adopted:

- Delivery Network Companies, Paid Family Leave, Peer-to-Peer Car Sharing +

Distracted Driving

- IIK strongly supports highway safety measures.
- Current law only prohibits person-to-person texting or emailing while operating a vehicle, and it only carries a \$25 fine for the first offense and \$50 for subsequent offenses.
- All our surrounding states now have strengthened distracted driving laws, and Kentucky is the donut hole.
- Reps. Sarge Pollock & James Tipton have sponsored NCOIL model legislation several years in a row.
- A coalition of supporters include the NTSB, Kentucky Office of Highway Safety, AAA, the Kentucky Motorcycle Association, and a number of safety-minded groups.
- It's not aimed at 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.



Insurance Fraud

- In the past 5 years, the Dept. of Insurance has received more than 10,100 fraud referrals, including 2,343 referrals in 2023.
- In 2023, there were 63 convictions, with 173 court cases still opened, and \$4.1 million in restitution paid.
- Fraud is occurring in tree services, roof repair, vehicle towing and storage, and Personal Injury Protection claims (PIP).
- KRS 304.47-020 defines a fraudulent insurance act, but it could be strengthened to specifically address misrepresenting the repair costs for any estimate, invoice, or proof of loss for a property insurance claim.
- PIP fraud continues to be a cost driver for Kentucky insurance rates, and an area that lawmakers can implement policies to curb the fraud.
- Fraudsters submit claims by exaggerating the extent of their injuries in medical claims to draw payments up to the \$10,000 limit. This fraud is both an economic risk and a public safety risk to Kentuckians.
- Criminal networks are purposely staging vehicle accidents to profit from inflated PIP claims.



Oppose 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.





NICB *National
Insurance
Crime
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Thank You