

Approved: April 1, 1994
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson William Bryant at 3:30 p.m. on March 21, 1994 in Room 527-S of the Capitol.

All members were present except:

Committee staff present: William Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Brenda Head, KTLA
Mike Haynes, Director of Kansas Real Estate Appraisers Board
Jim Maag, Kansas Bankers Association
Karen France, Kansas Board of Realtors
Jeff Sonnich, KS-Nebraska League of Savings
Lori Callahan, KaMMCO
Jerry Slaughter, Kansas Medical Society
Bob Corkins, KCCI
Brad Smoot, Kansas Civil Law Forum
Richard Mason, KTLA
Ron Smith, Kansas Bar Association
Glenda Eck, Salina

Others attending: See attached list

HEARING ON SB 713: Vehicle insurance coverage by self-insurers

This bill conforms the requirements of no-fault law relating to resident self-insurers and nonresident self-insurers to provide that self-insurers must pay judgments not only against themselves but against persons using a self-insured vehicle with the consent of the owner.

Brenda Head, representing the Kansas Trial Lawyers Association, reported that the bill corrects a potential inconsistency which may excuse self-insurers of motor vehicles registered in Kansas from full compliance with the automobile liability insurance coverage required of other motorists (Attachment 1).

HEARING ON SB 731: Establishing another class of real estate appraiser

Mike Haynes, Director of the Kansas Real Estate Appraiser's Board, explained the need for the Board to have the authority to establish an additional class of appraisers, known as "state provisional licensed" appraisers. Some of the states are still underserved with regard to qualified appraisers causing significant time delays in completing real estate transactions. The additional class of appraisers will help alleviate delay problems. A provisional licensed appraiser would not be eligible to serve as a county or district appraiser. He requested an amendment which would require that a county or district appraiser be a state licensed real property appraiser or a certified general real property appraiser as a person cannot be both. An additional amendment request was made which would change the effective date to publication in the Register.

Jim Maag, Kansas Bankers Association, said there was a great need for the establishment of an additional class of appraisers to be known as "state provisional licensed" appraisers (Attachment 2). This would allow such applicants the opportunity to engage in appraisal activities and gain the needed experience hours required to become either licensed, certified general, or certified residential.

Karen France, Director of Governmental Affairs for the Kansas Association of Realtors, urged the adoption of the amendment changing the effective date to publication in the Kansas Register (Attachment 3). Without that amendment, the appraisers who are trying to get into the business will be put off until the late fall when the implementing regulations can go into effect.

Jeff Sonnich, Kansas-Nebraska League of Savings Institutions, presented written testimony supporting the bill ([Attachment 4](#)).

Jack Shelton, Chairman of the Coalition of Kansas Appraisers, also presented written testimony explaining his organization's request for the legislation ([Attachment 5](#)).

HEARING ON SB 761: Collateral source benefits in certain actions for damages

Lori Callahan, KaMMCO, explained that the bill permits evidence to be presented to the judge or jury of any collateral source benefits (health insurance benefits) received or which are reasonably expected to be received by the plaintiff in any action for personal injury or death ([Attachment 6](#)). The cost of obtaining these benefits (premiums) shall also be admissible. The court is required to reduce the judgment by the amount of net collateral source benefits, except as modified by required reductions (plaintiff's negligence, insolvency or bankruptcy, statutory cap on recovery). Collateral source benefits would not include life or disability insurance, gratuitous benefits, services, or benefits for which a valid lien or subrogation interest exists or crime victims assistance or restitution. The act applies to all causes of action accruing on or after April 16, 1993.

Jerry Slaughter, Kansas Medical Society, said this issue is about ending duplicative payments to plaintiffs in personal injury cases wherein the collateral source rule serves to deceive the jury into believing the plaintiff has sustained monetary damages for which he or she has not been compensated ([Attachment 7](#)). This bill allows the defendant to produce evidence of collateral source payments so that the jury may take such evidence into consideration before an award is made. The plaintiff may introduce evidence to show what it costs to secure the collateral source benefit, such as through the payment of health insurance premiums. The plaintiff, therefore, does not suffer any out-of-pocket loss. President Clinton's health reform bill calls for eliminating the collateral source rule because it drives up health care costs.

Bob Corkins, Kansas Chamber of Commerce and Industry, presented testimony supporting the bill which would re-establish a reform of simple equity: claimants should not be compensated more than once for the same injury ([Attachment 8](#)).

Brad Smoot, Kansas Civil Law Forum, reviewed the three times the Kansas legislature has acted upon the collateral source law ([Attachment 9](#)). The latest revision enacted in 1988 contained a dollar threshold which ultimately made the entire act unconstitutional. His coalition supports the re-enactment of the statutorily-created collateral source rule without such a threshold.

Larry Magill, Executive Vice President of the Kansas Association of Insurance Agents, presented written testimony in support of the bill ([Attachment 10](#)).

Richard Mason, Kansas Trial Lawyers Association, stated their opposition to the bill because our civil justice system is based upon the premise that those causing harm to others must pay for the resulting damages ([Attachment 11](#)). The collateral source law provides a means for the wrongdoers to compensate the victim and serve as a deterrent for similar negligent behavior by others. The bill benefits only those who negligently injure people such as producers of shoddy products, negligent health care providers, and drunk drivers. KTLA supports maintaining the collateral source rule and opposes efforts to modify and thus weaken its public policy benefits.

Ron Smith, Kansas Bar Association, gave the background for this "ill-advised" legislation ([Attachment 12](#)). The beneficiaries of such legislation would be: a) anyone who is negligent and injures another person; b) uninsured defendants; c) insurance companies; d) companies who knowingly make dangerous toys; e) drunk drivers; and f) environmental polluters. The bill creates unfair policy which is at odds with the fundamental purposes of the tort system.

ACTION ON HB 3062: Motor vehicle insurance, glass replacement certain acts prohibited

Additional written testimony from Darrell Crossman, President of the Independent Glass Dealers of Kansas, was presented to Committee members ([Attachment 13](#)).

An amendment which would disallow an insurance company to issue discount for motor vehicle glass replacement, glass repair services or products, except for a cash discount or promotional discount which applies to all customers was presented ([Attachment 14](#)).

Representative King moved that the amendment be accepted. The motion was seconded by Representative Cox. Motion carried.

Glenda Eck of Salina presented the Committee with pricing comparison information between a private glass dealer in Salina and the networking company used by Allstate ([Attachment 15](#)). Private shop billing was less than the network if the shop was allowed to bill Allstate direct. By going through the network, the private shop would lose money on the individual job.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,
Room 527-S Statehouse, at 3:30 p.m. on March 21, 1994.

Representative Ray Cox moved that the bill be passed out favorably as amended. The motion was seconded by Representative Sebelius. Motion carried.

Representative Correll moved for the approval of the minutes of March 9, 1994. Motion was seconded by Representative Cox. Motion carried.

The meeting adjourned at 5:10 p.m. The next meeting is scheduled for March 22, 1994.

GUEST LIST

COMMITTEE: _____

DATE: 3/21

[illegible]



KANSAS TRIAL LAWYERS ASSOCIATION

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(913) 232-7756 FAX (913) 232-7730

TESTIMONY
of the
KANSAS TRIAL LAWYERS ASSOCIATION
before the
HOUSE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

SB 713 - Self Insurers of Motor Vehicles

MARCH 21, 1994

SB 713 is in response to a suggestion by the Kansas Supreme Court in Overbaugh v. Strange, No. 68,488 (January 25, 1994): "We are puzzled by what appears in the KAIRA to be a broader coverage requirement imposed on a nonresident self-insurer than on a resident self-insurer. The legislature may wish to revisit the appropriate KAIRA self-insurer statutes." The Kansas Trial lawyers Association does indeed encourage this Committee to recommend SB 713 favorable for passage.

This bill would amend a statute relating to mandatory automobile liability insurance coverage under the Kansas Automobile Injury Reparations Act (KAIRA). The bill corrects a potential inconsistency which may excuse self-insurers of motor vehicles registered in Kansas from full compliance with the automobile liability insurance coverage required of other motorists.

All automobile liability insurance policies issued to owners of motor vehicles registered in Kansas must insure not only the named insured but also any other person who uses the vehicle with the expressed or implied consent of the named insured. Motorists whose vehicles are registered in other states are also required to insure permissive users of their vehicles in Kansas, whether the vehicle is covered by an automobile liability insurance policy or self-insured.

The existing statute governing self-insurers of motor vehicles registered in Kansas is ambiguous and may require only that the self-insurer pay judgments rendered directly against the self-insurer itself, and not judgments against persons using the vehicles with the consent of the owner. Such an interpretation would create a hole in the requirement of financial responsibility and render self-insurers guilty of allowing their vehicles to be operated on Kansas highways without the liability insurance coverage required by law.

House L&D
Attachment 1

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It is not in the best interest of operators of motor vehicles in Kansas that resident self-insurers be excused from full liability coverage of their vehicles. SB 713 corrects this inconsistency and clearly provides that self-insurers of motor vehicles registered in Kansas must comply with the same mandatory insurance provisions which apply to other motorists, and must pay judgments rendered against any covered person.

Thank you for your consideration of KTLA's position in support of SB 713.



The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

March 21, 1994

TO: House Committee on Financial Institutions and Insurance
RE: **SB 731** - Licensing of real estate appraisers

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present comments in support of **SB 731**. This bill would give the Real Estate Appraisal Board authority to establish an additional class of appraisers to be known as "state provisional licensed" appraisers. This will give individuals working toward the classification of "licensed", "certified general", or "certified residential" appraiser an opportunity to engage in appraisal activities and gain the needed experience hours.

While the supply of qualified appraisers appears to be adequate in the more populated counties, there are still areas of the state which are underserved causing significant time delays in completing real estate transactions. We believe the addition of this class of appraisers will help alleviate some of the delay problems and provide for a more competitive environment in those areas where there are now a very limited number of qualified appraisers.

We would request that the committee recommend **SB 731** favorably.


James S. Maag
Senior Vice President

James S. Maag

Attachment 2

3-21-94





KANSAS ASSOCIATION OF REALTORS

Executive Offices:
3644 S. W. Burlingame Road
Topeka, Kansas 66611-2098
Telephone 913/267-3610
Fax 913/267-1867

TO: HOUSE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS
DATE: MARCH 21, 1994
SUBJECT: SB 731, REAL ESTATE APPRAISERS

Thank you for the opportunity to testify. On behalf of the Kansas Association of REALTORS®, I appear today to support SB 731.

We participated in the study committee this summer which developed a method for facilitating entry into the appraiser profession. We agreed with the recommendation of that study committee. We feel that the two changes which are proposed in this bill will permit the Appraisal Board the statutory authority to provide for a provisional license category by their rule and regulation process.

We support the request by the Appraisal Board to change the effective date to upon publication in the Kansas Register. Without that amendment, the appraisers who are trying to get into the business will be put off until the late fall, when the implementing regulations can go into effect. We feel the sooner we can get the new level of appraiser instituted, the better it is for everyone involved.

We do not oppose the Senate floor amendment which requires county appraisers to have a general certification, however, we support an amendment to clarify the language.

We ask for your support of the bill with the proposed amendments presented to you.

House FD's

Attachment 3

3-21-94



Jeffrey D. Sonnich, Vice-President

Suite 512
700 Kansas Avenue
Topeka, Kansas 66603
(913) 232-8215

March 21, 1994

TO: HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE
FR: JEFFREY SONNICH - KS-NE LEAGUE OF SAVINGS INSTITUTIONS
RE: S.B.731; PROVISIONAL LICENSED REAL PROPERTY APPRAISER

The Kansas-Nebraska League of Savings Institutions appreciates the opportunity to express our support of S.B. 731.

We were included in a task force during the summer that looked at ways to increase the opportunities for entry into the Real Estate Appraisal industry. The task force was comprised of representatives from the KNLSI, KBA, KAR, fee appraisers, and Appraisal Board members. The outcome of that task force was a recommendation to the state Appraisal Board that a provisional licensed category be put in place. The Appraisal Board was unanimous in adopting the recommendation.

The Appraisal Board attempted by rule and regulation to adopt the provisional licensed category, however the Attorney General's office ruled that the Board did not have statutory authority. This bill would simply allow the Appraisal Board to have the authority to adopt a provisional licensed category. The specific qualifications will be adopted by rule and regulation.

We feel this bill is a good compromise between allowing an easier entrance into the appraisal industry and the Appraisal Board's responsibility to provide adequate oversight. We respectfully request the House Committee on Financial Institutions and Insurance recommend favorable passage of S.B. 731.

Jeffrey Sonnich
KNLSI

Handwritten signature
Attachment 4

3-21-94

February 23, 1994

Testimony Relating to Senate Bill No. 731, An Act relating to real estate appraisers; licenses; amending K.S.A. 1993 Supp. 58-4109 and repealing the existing section.

My name is Jack Shelton, and I am writing as the Chairman of the Coalition of Kansas Appraisers, a nonprofit organization that consists of the Kansas chapters of the Appraisal Institute, the Independent Fee Appraisers Association, the American Society of Appraisers, and the American Farm Managers and Appraisers Association. The Coalition presently has approximately 500 members, and therefore represents approximately 75% of all licensed and certified real estate appraisers in the State of Kansas. Our goal is to work with the Kansas Appraisal Board and the legislature to develop policies related to real estate appraising that are in the best interest of the public, and the appraisal profession.

I am writing in support of Senate Bill 731, which would create the additional classification "state provisional licensed real property appraiser." We support this classification for two reasons. First, it will encourage some people who are already performing appraisals not involving federally related transactions, and who are not presently licensed or certified, to apply for provisional licensing status. To qualify for provisional licensing, they will have had to complete either 75 or 165 hours of coursework, and pass the licensing exam. These requirements will clearly benefit the public because they will be assured that the provisionally licensed appraiser has taken the necessary basic appraisal courses, and that their appraisals will fall under the Uniform Standards of Professional Practice (USPAP).

Second, provisional licensing status will also help persons who want to become fully licensed or certified appraisers, but who find it difficult to meet the experience requirements. Some persons who want to work as appraisers, perhaps who live in remote areas, have difficulty finding a licensed or certified appraiser to apprentice with, who will supervise their work. These persons may have completed the coursework and passed the exam, and do have the basic understanding of how to complete appraisals. Provisionally licensed appraisers will have the opportunity of submitting appraisals they have completed to the Executive Director of the Appraisal Board for review, and will receive feedback if they are not following USPAP guidelines. They can then correct any inappropriate procedures, and ultimately submit acceptable work for full experience credit in the future.

James F. D.

Attachment 5

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For these reasons we support Senate Bill No. 731, and ask
that you vote in its favor.

Thank you for your consideration.

Jack Shelton
Chairman, Coalition of
Kansas Appraisers

KaMMCO

KANSAS MEDICAL MUTUAL INSURANCE COMPANY

AND

KANSAS MEDICAL INSURANCE SERVICES CORPORATION

TO: House Financial Institutions and Insurance Committee
FROM: Lori Callahan, General Counsel
RE: S.B. 761
DATE: March 21, 1994

The Kansas Medical Mutual Insurance Company, KaMMCO, is a Kansas domestic physician-owned, professional liability insurance company formed by the Kansas Medical Society. KaMMCO currently insures over 1,000 Kansas physicians.

KaMMCO supports S.B. 761. As a part of the tort reform package of the late 1980's, the Kansas Legislature enacted collateral source legislation designed to eliminate duplicate recoveries. This 1988 legislation was one of the premier components of tort reform and had a substantial effect on stabilizing liability rates.

The concept of collateral source legislation is to prevent unjust enrichment by a plaintiff. Without this legislation, plaintiffs are allowed to accept, without any obligation of repayment, full medical benefits from their health insurer and then allege as damages those same medical costs in a liability suit. This allows a plaintiff to recover twice for the same damages.

The significant impact of the collateral source rule can be seen in a case where the plaintiff has had \$500,000 in medical damages fully paid by their health insurer. In such a case, which is not an atypical medical malpractice case, the plaintiff would receive an additional \$500,000 as a part of their award in the medical malpractice case. This money is not repaid to the health insurer. Thus, the plaintiff receives not only all past and future lost economic damages such as wages, all pain and suffering and disability and disfigurement, but an additional one half million dollars over their actual damages. This jackpot, which amounts to unjust enrichment, further encourages litigation.

In April 1993, in the case of Thompson v. KFB Insurance Co., 252 Kan. 1010 (1993), the Kansas Supreme Court held the 1988 collateral source law unconstitutional based upon a technical aspect of the 1988 legislation. That constitutional infirmity has been addressed in S.B. 761. Passage of S.B. 761 is necessary for reenactment of a modified collateral source rule.

Endorsed by the Kansas Medical Society

623 W. TENTH ST.-STE. 200-TOPEKA, KANSAS 66612
913-232-2224 / 800-232-2259 / 913-232-4704 (FAX)

House F.D.D
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At KaMMCO, the effect of the Thompson decision has been profound. A review of all claims in which we made an indemnity payment since the Thompson decision reveals that while there was great variability in the loss of the modified collateral source rules impact on individual claims, overall in those cases involving a collateral source payment for medical expense, our total indemnity payout was almost 48% higher than it would have been prior to the Court's ruling. Additionally, it should be noted that these cases do not include any amounts paid by the Health Care Stabilization Fund over and above what we paid, nor does it include any other medical malpractice insurance companies in the state. We currently insure about 40% of the physicians in the state, and I would anticipate that other companies would have experience similar to ours.

Interestingly, the Wall Street Journal ran a story on March 4, 1994 ("People Can Be Compensated Twice Under Double-Recovery Rules") on the collateral source rule issue. The article pointed out that of the \$100 billion paid in annual auto premiums in the U.S., about \$5 billion goes to pay for medical expenses that plaintiffs have recouped from other sources. The article also noted the 1986 Rand Corporation study by Wharton Business School health economist Patricia Danson, which found that in states which limit double recoveries, medical malpractice awards were reduced 18%, and the frequency of lawsuits filed fell 14%.

Further, in recognition of the significant effect the collateral source rule has on medical malpractice losses, thereby increasing health care costs, President Clinton has promoted enactment of the collateral source legislation to eliminate double recoveries as a part of his health care package.

Even with the 1988 collateral source legislation, Kansas was in the top one fourth of all states in the highest medical malpractice insurance premiums. Without reenactment of this legislation, Kansas stands to lose considerable ground in its fight for tort reform, harkening back to the day when doctors were leaving our state for more tenable litigation environments. The enactment of this collateral source legislation in 1994, will be the fourth time the Kansas legislature has considered and passed such collateral source reform.

Finally, by passage of this legislation you would be adopting all prior Legislative history pertaining to modification of the collateral source rule including recognition that this legislation will only pertain to cases of personal injury not property damage since there has never been evidence presented to the Legislature on

Memo to House Financial Institutions and Insurance Committee
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the lack of availability of property insurance due to the collateral source rule, while the evidence regarding lack of availability of insurance for personal injury has been overwhelming. S.B. 761 is critical to the preservation of the stable environment experienced in Kansas prior to the Thompson decision in April 1993. We would ask the committee to vote this bill favorable for passage.

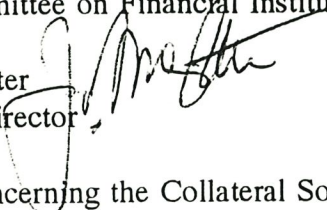


KANSAS MEDICAL SOCIETY

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WATS 800-332-0156 FAX 913-235-5114

March 21, 1994

TO: House Committee on Financial Institutions & Insurance

FROM: Jerry Slaughter
Executive Director 

SUBJECT: SB 761; Concerning the Collateral Source Rule

The Kansas Medical Society appreciates the opportunity to appear today in support of SB 761 which would reinstate legislation enacted in 1988 which modified the common law collateral source rule in personal injury actions. Last April the Kansas Supreme Court struck down this law because it applied only to cases in which the claimant's demand for damages exceeded \$150,000. The bill before you does not contain that \$150,000 threshold, but is otherwise identical to the legislation enacted in 1988. In other words, since 1988 the legislation before you has essentially been the law that has governed personal injury cases. We are not asking for any expansion or change, except as it relates to the threshold which the court struck down.

Simply put, this issue is about ending duplicate payments to plaintiffs in personal injury cases, wherein the collateral source rule serves to deceive the jury into believing the plaintiff has sustained monetary damages for which he or she has not been compensated. At the time of trial, a plaintiff whose medical expenses had been paid by his or her health insurance company, for example, can keep that information from the jury so that, in effect, the plaintiff is compensated again for expenses which have already been paid. This bit of deception not only drives up professional liability costs, for physicians in our case, but also keeps the jury from being fully informed about the true nature of the plaintiffs' losses.

We believe the bill before you is reasonable and fair in its application. It merely allows the defendant to produce evidence of collateral source payments so that the jury may take such evidence into consideration before an award is made. Additionally, the plaintiff may introduce evidence to show what it cost to secure the collateral source benefit, such as through the payment of health insurance premiums. That way, the plaintiff does not suffer any out-of-pocket loss.

This legislation was an integral part of the package of tort reform bills which were enacted by the Legislature by substantial majorities in the late 80's. For physicians, this law has played a substantial role in moderating the cost of professional liability insurance. This moderation has begun to reverse the trend of the mid-80's in which high professional liability

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costs were forcing physicians to retire early, discontinue providing high risk services, or leave our state altogether. In fact, medical malpractice premiums began to level off and even drop, once the package of reforms, including the modification of the collateral source rule, took effect in 1988-89. Whereas the premiums Kansas physicians paid in the 80's ranked as 7th highest in the nation, now, due to those reforms, premiums rank about 12th highest, a significant improvement, which benefits consumers as well as health care providers.

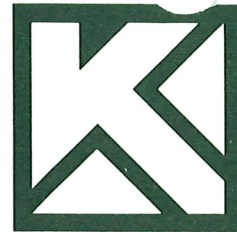
When this legislation was originally enacted there was compelling evidence to show that it would have this significant impact on claim payments and medical malpractice premiums paid by physicians and other health care providers. Our physician-owned malpractice insurance company, KaMMCO, has seen total claim costs which involve collateral source payments rise by almost 48% since the Court's decision last spring. A recent Wall Street Journal article (March 4) documented the impact of this "double recovery" rule on other cases such as auto claims. Respected researchers at the Rand Corporation in a 1986 study reported lower claim costs and fewer suits in those states which eliminated the double recovery rule.

It is significant to note that virtually all of the comprehensive health care reform proposals before Congress, including President Clinton's Health Security Act, call for eliminating the collateral source rule because it drives up health care costs.

Reinstatement of this legislation is important to maintaining a more stable medical malpractice insurance environment. The malpractice crisis has eased, thanks in large part to the tort reform bills passed by the Legislature, in particular the modification of the collateral source rule. We would urge your support for SB 761. Thank you for giving our comments your consideration.

JS:cb

LEGISLATIVE TESTIMONY



Kansas Chamber of Commerce and Industry

835 SW Topeka Blvd. Topeka, Kansas 66612-1671 (913) 357-6321 FAX (913) 357-4732

SB 761

March 21, 1994

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Committee on Financial Institutions and Insurance

by
Bob Corkins
Director of Taxation

Honorable Chair and members of the Committee:

My name is Bob Corkins, director of taxation and small business development for the Kansas Chamber of Commerce and Industry. Thank you for the opportunity to express our members' support for the collateral source tort reform proposition contained in SB 761.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

The business community's concern with this area of law should be apparent to everyone. For many decades, our organization has been an active force in working to restrain business costs

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through fair judicial reforms, thereby protecting jobs, creating jobs, curbing inflation, and defending the earning power of Kansans at large.

We view this proposal as embracing those efforts -- goals which are as important to our small businesses as they are to large. KCCI has consistently supported the collateral source rule concept with that in mind. Thompson v. Kansas Farm Bureau Insurance acknowledge the denial of equal protection that was inherent in our previous dollar threshold for admitting collateral source benefit evidence. Moreover, SB 761 would reestablish a reform which is one of simple equity: claimants should not be compensated more than once for the same injury.

Therefore, we respectfully ask that you endorse today's proposal and recommend it favorably to the full House. Thank you again for your time and consideration.

KANSAS CIVIL LAW FORUM
A Coalition of Professionals and Businesses
Interested in the Kansas Court System

Brad Smoot, Coordinator
Mercantile Bank Building
800 SW Jackson, Suite 808
Topeka, Kansas 66612
(913) 233-0016 FAX (913) 234-3687

STATEMENT OF BRAD SMOOT, LEGISLATIVE COUNSEL
FOR KANSAS CIVIL LAW FORUM

PRESENTED TO THE KANSAS HOUSE
FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
REGARDING 1994 SENATE BILL 761, MARCH 21, 1994

Mr. Chairman and Members of the Committee:

I am Brad Smoot, coordinator for the Kansas Civil Law Forum, a coalition of numerous businesses, professionals and trade associations interested in Kansas civil law. A copy of our membership list is attached.

The Kansas Civil Law Forum supports the passage of 1994 Senate Bill 761. We believe that the common law collateral source rule unfairly increased damage awards and permitted plaintiffs to recover twice for the same loss or expense. Three times the Kansas legislature has acted wisely in changing the rule. Unfortunately, the latest version enacted in 1988 contained a dollar threshold which ultimately made the entire act unconstitutional. We support the reenactment of the statutorily-created collateral source rule without such a threshold.

KCLF members believe that reducing expensive litigation and promoting reasonable damage awards can be accomplished through moderate statutory rules and limitations. The rule proposed for reenactment in Senate Bill 761 is just such a measure and we urge your support of this bill.

Thank you for your consideration of our views.

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KANSAS CIVIL LAW FORUM
A Coalition of Professionals and Businesses
Interested in the Kansas Court System

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KCLF MEMBERSHIP LIST

AIA Kansas
Alderson, Alderson, Montgomery & Newbery
Beech Aircraft Corporation
The Boeing Company
The Coleman Company, Inc.
Farmers Insurance Group
Gehrt & Roberts, Chtd.
Glaxo, Inc.
KPL Gas Service
Kansas Association of Defense Counsel
Kansas Association of Property & Casualty Insurers
Kansas Hospital Association
Kansas Medical Mutual Insurance Company
Kansas Medical Society
Kansas Railroad Association
Puritan Bennett Corporation
Shook, Hardy & Bacon, P.C.
Southwestern Bell
The Association of Insurance Agents
The Tobacco Institute
Western Retail Implement & Hardware Association

Testimony on SB 761
For the House Financial Institutions and Insurance Committee
By: Larry W. Magill, Jr., Executive Vice President
Kansas Association of Insurance Agents
March 21, 1994

Thank you Mr. Chairman, and members of the committee for the opportunity to appear today in support of SB 761 reenacting our collateral source reform without the faulty threshold included in the 1988 reform act.

The Kansas Association of Insurance Agents support tort reform measures that help make liability insurance more available and affordable while at the same time eliminating excesses from our tort liability system. Collateral source reform is one of those issues. Without this bill, plaintiffs will be allowed a double recovery for medical costs and lost wages where they have already been reimbursed from other insurance sources.

We would like to make the following brief points in support of the measure:

- * Kansas has enacted collateral source reform three times. Each time the Supreme Court has thrown it out for various reasons - once because it dealt with medical malpractice only and once because of the \$150,000 threshold.
- * Collateral source reform is included in Clinton's health care reform proposal as a way to reduce health care costs. This is a measure Kansas can enact now to reduce our medical malpractice insurance costs and thus health care costs.
- * Collateral source reform and caps on non-economic damages are the two most significant cost saving tort reform issues in Kansas.
- * Collateral source reform will help hold down the cost of all kinds of liability insurance including products, auto, general and medical malpractice liability.

James F. D. D.

Attachment 10

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- * The plaintiff's bar will argue that the "guilty party" does not pay. The "guilty" party does not pay anyway - their insured does. Allowing double recoveries for plaintiffs significantly raises rates for everyone when it is more efficient to let the health insurance system pay the medical costs where coverage is available. Without collateral source reform, liability costs will increase, but collateral source reform will not increase the cost of health insurance.
- * The reform allows the injured person to be reimbursed for the cost, if any, of their collateral sources of reimbursement, deductibles and co-payments.

We urge the committee to act favorably on SB 761 and recommend it for passage to the full House. We would be happy to answer questions or provide additional information.



KANSAS TRIAL LAWYERS ASSOCIATION

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TESTIMONY
of the
KANSAS TRIAL LAWYERS ASSOCIATION
before the
HOUSE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

March 21, 1994

SB 761 - Collateral Source Rule

The Kansas Trial Lawyers Association is opposed to SB 761 and respectfully urges this Committee to reject it.

The collateral source rule is a rule of evidence which prohibits telling the jury about certain types of insurance and other benefits that an injured person has or will receive in the future. The same rule applies to jurors being told about any insurance a DEFENDANT may have available to pay a judgment.

Our civil justice system is based upon the premise that those causing harm to others must pay for the resulting damages. This policy fosters two beneficial goals. First, it provides a means for the wrongdoer to compensate the victim. Second, it serves as a deterrent for similar negligent behavior by others.

THE PUBLIC POLICY BEHIND THE COLLATERAL SOURCE RULE IS TO HELP INSURE WRONGDOERS PAY THE FULL DAMAGES THEY CAUSE. Those who promote modification of the rule believe the party who negligently injures another should ONLY pay for the damages not covered by a victim's own insurance. Otherwise, they argue, there is a double recovery. The reality is that all too often insurance companies don't simply write a check to an injured person to compensate their FULL damages. A lawsuit may be necessary to insure a victim's rights are enforced, and litigation involves costs. Attorney fees, court costs, deposition expenses, medical records, expert witness fees, etc. may all have to be paid by the victim in order to force the negligent party to pay for the damages they caused. These costs almost always EXCEED the victim's insurance coverage, so there is NO double recovery.

We remind Committee members our Association testified against HB 2717 earlier this session, which would have required subrogation clauses in all health insurance contracts. That bill also had the advertized goal of eliminating "double recovery".

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However, unlike SB 761, the subrogation proposal would have had a neutral affect on our members. OUR pocketbook would have remained untouched. Yet we opposed that legislation as well, because it, too, would have a negative affect on the injured clients we represent.

SB 761 is tort reform, but with an interesting twist. MOST tort reform is based upon the premise that juries aren't very smart and therefore, the legislature should be in the business of limiting or even making decisions on their behalf. Caps on damages are an example. But SB 761 assumes just the opposite, that juries can handle more information and are capable of making complex decisions. Why would "tort reformers" support these two opposing philosophies about the abilities of Kansas citizens serving on juries? The answer is simple. Tort reform is not about fairness, or the level of sophistication of juries or even about "double recovery". Tort reform is nothing more than a series of laws to save money for defendants.

SB 761 benefits ONLY those who negligently injure people. Producers of shoddy products, negligent health care providers and drunk drivers WIN with this change. Innocent Kansans lose.

KTLA's position is that wrongdoers should pay for all the harm they cause regardless of whether they injure someone wealthy enough to not need insurance, responsible enough to have purchased insurance or too poor to afford insurance. Only information that is needed by the jury to determine fault and the amount of damages should be brought to their attention through evidence. Neither the insurance situation of the plaintiff NOR the defendant meets that criteria. KTLA supports maintaining the collateral source rule and opposes efforts to modify and thus weaken its public policy benefits.



**Legislative Information
for the Kansas Legislature**

TO: House Financial Institutions &
Insurance Committee

FROM: Ron Smith, KBA General Counsel

SUBJ: Collateral Source legislation, SB 761

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March 21, 1994

SUMMARY

This bill allows me to benefit from your health insurance if I am negligent and injure you or your dependents.

The KBA opposes SB 761.

BACKGROUND

KBA believes this bill is ill-advised legislation for the following reasons.

1. The tort system has two purposes: compensating the victim of negligence, and deterring the defendant and others from committing negligence.

Public policy which weakens these purposes should be viewed with caution.

This bill weakens the tort system's ability to deter the defendant's negligent conduct.

2. The collateral source rule is a rule of evidence that holds just because a plaintiff has insured himself against peril should not benefit

the defendant if the defendant injures the plaintiff. Otherwise, the deterrent effect of the tort system is thwarted.

3. Courts use the rule to exclude evidence of plaintiff's insurance from the jury. However, courts also exclude evidence of defendant's liability insurance from the jury, too. *Whether someone is insured is irrelevant to the jury's purpose*, which is to decide who is negligent, and the damages, if any.

4. The ultimate question this bill raises is whether a plaintiff injured by others must first look to their own resources for compensation? If the answer is Yes, then you are discarding the tort system piecemeal, we need to look at some other system.

5. The purpose of SB 761 is not to "end double-recovery," it is to so

This legislative analysis is provided in a format easily inserted into bill books. We hope you find this convenient.

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change the law towards defendants as discourage lawsuits by injured p

7. This rule made sense when dealing with larger cases, and that is why in 1988 the legislature added a \$150,000 threshold. Medical malpractice represents about one percent of all civil litigation. Thus the 1988 law affected only one percent of litigation.

SB 761 now will affect all tort litigation. In order to affect one to two percent of cases, you are affecting the other 98 percent adversely.

SB 761 is not necessary if you are concerned about physicians. Congress and the President all agree that some collateral source rule on malpractice cases will become law as part of federal health insurance reform. Even the President's version includes a collateral source change. I have no doubt the feds will impose a harsher rule than SB 761. SB 761, if enacted, would probably be superseded by the federal law on malpractice cases. Yet it would still be around, adversely affecting small tort cases.

Physicians will be taken care of in the next 18-24 months without having to enact SB 761.

The Medical Society does not believe collateral source issues will get handled in the Congressional bill. I would point out that recently the Senate passed the light airplane act that Sen. Kassebaum has been working on for ten years. Things are changing in Congress in regard. We think the KMS is too pessimistic on this topic.

WHO BENEFITS?

Who benefits by SB 761?

- *Anyone who is negligent and who injures another person* causing that other person to use their own health insurance to initially pay the damages.

- *Uninsured defendants.* While doctors are highly insured, many defendants are not. If they pay damages, they pay it from their own pocket. SB 761 does not only aid the insured, it aids the uninsured avoid responsibilities.

- *Insurance companies* who insure large losses involving claims on which they pay a lot for the plaintiff's medical care.

- *companies who sell shoddy merchandise* that injures our citizens, whether or not these companies are insured.

- *companies who knowingly make dangerous toys* for children to buy at Christmas, whether or not these companies are insured.

- *drunk drivers* who hurt others, whether the drunks are insured or not. Insurers of drunk drivers also benefit vicariously.

- *environmental polluters* who cause long term disease and illness paid for by the victim's health insurance.

- *certain sex offenders and/or their employers.* Take this scenario. A school district hires former sex offender as bus driver. Being around children, he reoffends. The offender and the school district with its bus service company are sued in civil court. The children have "extensive emotional damage and suffer from the psychic trauma." If the children

therapy as part of their medical damages," and if that therapy had been paid for by the parent's health insurance, then the sex offender and the sex offender's employer would see a reduced verdict because of the parent's health insurance. **SB 761 rewards the wrong people.**

[These are the facts in *Kansas State Bank & Trust Co. v. Specialized Transportation Services Inc.*, 249 Kan. 348, 819 P.2d 587 (1991).]

WHO DOES NOT BENEFIT?

1. **Defendants whose negligence instantly kills the victim.** Persons who die quickly do not run up expensive costs at the hospital paid by health insurance.

2. **Defendants whose negligence injures the poor.** The poor have no health insurance as such. Those that have Medicaid will see the state of Kansas subrogate their third party claim. Health insurance that is subrogated cannot be mentioned to the jury under SB 761.

3. **Defendants whose negligence injures the wealthy.**

The wealthy often have no health insurance because they can pay medical costs, even large bills, out of pocket. Under SB 761, wealth is not a collateral source. Defendant still pays all 100% of damages to a wealthy plaintiff even though the plaintiff has his own resources.

TRUTH?

Proponents argue all SB 761 does is end double recovery and tell the jury the truth about the payment of

the plaintiff's damages.

Nonsense.

Not all information is allowed into courtrooms.

The rules of evidence are designed to allow only *relevant* evidence to go to the jury.

Why by statute are juries not told of the defendant's insurance (or lack of insurance)?

Why by statute do we not tell the jury of the \$250,000 limit on pain and suffering?

Why by statute do we not tell juries of the \$100,000 limit in wrongful death actions?

Conclusion. SB 761 creates unfair policy which is at odds with the fundamental purposes of the tort system.

It is the middle class who are prudent enough to insure against health care loss who are victimized by this law. Defendants, even ones who are never insured, collaterally benefit from this change. It makes no sense to benefit some of these defendants when other means can solve the physicians' "problem."

KBA opposes the bill.

ITEMS THE INSURANCE COMPANIES AND NETWORKS COULD NOT ANSWER

- 1) The agreement to get on a network list is based only on price. If you are cheap enough you get on. If not, you never hear from them for another year.
- 2) USA Glass network's 800 phone number dials directly into Safelite Auto Glass. If the job requires a mobile and it is out of the city you may get the job.
- 3) We are not to let the insured see the invoice. This is prohibited.
- 4) When they speak of "certain requirements" it pertains only to price. If you are cheap enough you may get the job. To be cheap enough means 20% more discount and little or no labor.
- 5) "Market Value" they refer to is the cheapest price they can get. For instance, USA Glass Network agreement with Safelite Auto Glass 65% to 70% off, no seal kit, no labor.

Darrell Crossman
President
Kansas Glass Dealers Association

James F. D. P.

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1 provided.

2 (c) This section does not require an insurer to pay more for motor
3 vehicle glass replacement, glass repair services or glass products than
4 the lowest prevailing market price as defined in section 2.

5 (d) Notwithstanding the provisions of this section, an insurance
6 company may agree to pay the full cost of glass replacement or
7 repair.

8 New Sec. 2. For purposes of sections 1 and 3, "lowest prevailing
9 market price" means the lowest market price in a local area.

10 New Sec. 3. (a) It is unlawful for any insurance company, in-
11 dividually or with others, to directly or indirectly:

12 (1) Establish an agreement with any person to act as a glass
13 broker for the insurance company under which the glass broker sets
14 a price that must be met by a glass repair shop as a condition for
15 doing glass replacement or glass repair work for the insurance com-
16 pany;

17 (2) establish an agreement with any person that requires a glass
18 repair shop to bill through that person as a condition of doing glass
19 replacement or glass repair work; or

20 (3) establish a price that must be met by a glass repair shop as
21 a condition for doing glass replacement or glass repair work that is
22 below the lowest prevailing market price as defined in section 2.

23 (b) As used in this section, "glass broker" means an automobile
24 glass company that acts as a third-party agent for the insurer for the
25 purpose of entering into agreements with other motor vehicle glass
26 dealers to perform glass replacement or glass repair work.

27 New Sec. 4. (a) Any person engaged in the sale, repair or re-
28 placement of motor vehicle glass may not:

29 (1) Advertise, promise to provide, or offer any coupon, credit or
30 rebate to pay all or part of an insurance deductible under a casualty
31 or property insurance policy; ~~or~~

32 (2) pay a sum or incentive to an individual or entity for directing
33 glass replacement or repair or the purchase of a glass product; ~~or~~

34 (b) A person or association of persons engaged in the sale, repair
35 or replacement of motor vehicle glass may advertise services as to
36 quality, service and safety.

37 (c) A person may not manage, handle or arrange motor vehicle
38 glass replacement or glass repair work for which the person retains
39 a percentage of the claim or a set fee paid by the insurance company
40 to the glass repair shop for an amount in excess of the amount paid
41 to the glass repair shop.

42 Sec. 5. K.S.A. 40-2404 is hereby amended to read as follows:
43 40-2404. The following are hereby defined as unfair methods of

; or

(3) provide a discount for motor vehicle glass replacement, glass repair services or products, except for a cash discount or promotional discount which applies to all customers.

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Attachment 14
James J. Hall

On July 19, 1993 Roxanne Earnest of Salina had an 85 Honda Accord needing a windshield. Roxanne had set up an appointment with us for the 20th so we special ordered her glass to replace the broken windshield. Roxanne then went to see her agent, Jerry Belt an Allstate agent in Salina, to file the claim. On the 20th Roxanne never showed up for her appointment. When I called her to remind her of her appointment she said according to Jerry, she could not get her windshield replaced through our shop that she must choose either Safelite or Harding Glass in Salina for the replacement so that the billing would go through USA Glas Network. The windshield was already at our shop and we would have been able to replace her glass that day, however, Safelite had to order the windshield also and she had to wait for it to arrive in their shop thus causing the customer an inconvenience. I then called Jerry to inquire about the customer's right to choose the repair facility of her choice to have the windshield replaced. He informed me that he had no authority to let her get the job done here that it must be performed at a shop on the USA Glas Network. He gave me the phone number to the Allstate Claims office in Kansas. I called the claims office and spoke with Shane Cuevas and asked him for a claim number giving authorization for Roxanne to get her windshield replaced here. He asked me what the charge would be if I direct billed Allstate I told him \$292.88. He in turn told me that the network would be billing them \$277.51. I agreed to match that price, so he gave me an authorization number to do the work. If I had billed the network directly I would have only been able to bill for \$132.68. I called Roxanne back and told her we had obtained authorization to go ahead and replace her windshield. Roxanne then stated her concern for having the job done here against her agent's recommendation for fear he would treat her differently for not using a shop on the network. She DID NOT get her job done here, she took it to Safelite.

Pricing comparison for direct bill to Allstate versus network billing as of March 21, 1994 for Mr. Windshield Salina, Kansas.

	Shop to Network	Network to Allstate	Shop to Allstate	Shop Cost
W1159	234.45	441.83	387.18	241.88
W1026	217.38	387.93	346.18	205.05
W848	119.01	230.19	222.76	144.28

You can clearly see that the shop is billing less than the network if we were to bill directly to Allstate. It is also visible that if our shop were to bill through the network that we would be losing money.

James F. D.
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Our shop provides a lifetime warranty on leakage, workmanship and manufacturer's defects as long as the customer owns the vehicle. Most of the networks only offer lifetime warranty on leakage and maybe offer 30 to 90 days on manufacturer's defects on the glass. Thus if a customer's windshield were to break due to stress a year from replacement, the customer would have to pay his deductible again and the insurance company would have to pay the remaining cost of the replacement again if the billing had gone through the network. If it had been billed directly to the insurance company and received the lifetime warranty all cost would be absorbed by our shop. Who wants to pay for somebody else's mistake?

Please give the Kansas Independent Glass Dealers Association your support when voting on House Bill No. 3207.

Glenda M. Eck
Glenda M. Eck
Mr. Windshield
Salina, Kansas



USA-GLAS COPY

USA-GLAS Inv. # _____

To Customer:

THIS IS YOUR RECEIPT. NO FURTHER
STATEMENT WILL BE ISSUED.

P.O. Box 47199 • Chicago, IL 60647

Customer Name (Print) _____ Customer Phone # () _____

Vehicle Identification Number (VIN) _____

To Service Center: Fill out this form, make sure to obtain the Vehicle Identification Number (VIN) and the insured/leasing customer's signature. Give the yellow copy to the customer as his receipt, attach the 1st ply of this form to the invoice copy you send to USA-GLAS. *Payment can not be processed without a completed form.* Thank you.

USA-GLAS GUARANTEE

This windshield and/or backglass is guaranteed against water leakage due to defective material or workmanship as long as the present owner continues to own this vehicle. This Guarantee is limited to repair or replacement by an authorized USA-GLAS installer. THE USA-GLAS Network is not liable for special, incidental, indirect or consequential damages. This guarantee is exclusive and in lieu of all other guarantees.

USA-GLAS NETWORK: 1-800-872-4527

INQUIRIES

Any inquiries regarding this invoice should be directed to 1-800-872-4527

STATEMENT OF FINAL AND SATISFACTORY COMPLETION AND AUTHORIZATION TO PAY

The undersigned acknowledges receipt of the goods and services requested and acknowledges he has inspected same and is satisfied herewith.

The undersigned further acknowledges all services were performed in a workman-like manner to his/her satisfaction and authorizes the insurance, fleet, or leasing company to pay USA-GLAS NETWORK direct for payment of this claim.

The undersigned agrees that he/she is personally responsible for payment of this invoice irrespective of any insurance coverage which may pertain hereto.

Signature of Customer

Date ____/____/____

OREL800

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Alliance Glass Network

P.O. BOX 1104 • Cedar Rapids, IA 52406-1104

ALLIANCE AUTHORIZATION # _____

Deductible to Collect \$ _____

Customer Name _____ Address _____

Phone # () _____ - _____ City _____ State _____ Zip _____

Vehicle Info: YR _____ Make _____ Model _____ License _____

Vehicle Identification Number (VIN) _____ Mileage _____

Vendor: Complete this form and obtain the Vehicle Identification Number (VIN), License Plate Number, Mileage and the Customer's Signature. The customer receives the **yellow** copy as a receipt and the **white** copy is sent to Alliance Glass Network. **Payment will not be processed without completed form and customer's signature.**

Warranty Information:

- ☐ This auto glass installation carries a limited lifetime warranty for leakage and workmanship defects. This auto glass installation carries a 30 day warranty for unexplainable breakage.
- ☐ Windshield Repair Warranty: Alliance Glass Network GUARANTEES 100% customer satisfaction for as long as you own your vehicle. In the event you are not satisfied with your repair for any reason, we will credit the amount of the repair when you have your windshield replaced by any of our authorized vendors.

All warranties are void if rust, deterioration, collision, or tampering occurs. All warranties apply only to the owner of the vehicle at the time of installation. Repair warranty is limited to the cost of the repair only. Replacement warranty is limited to repair or replacement of auto glass only. All warranty work must be performed by Alliance Glass Network vendors only. The Alliance Glass Network is not liable for incidental, indirect or consequential damages done by vendor during installation. Owner must present this receipt for warranty.

Authorization to Pay: The glass has been repaired or replaced to my entire satisfaction and I authorize my Insurance/Fleet Company to pay Alliance Glass Network directly for the glass and installation charges. I agree to pay any cost that is not covered by or is rejected by my Insurance/Fleet Company.

Signature of Customer

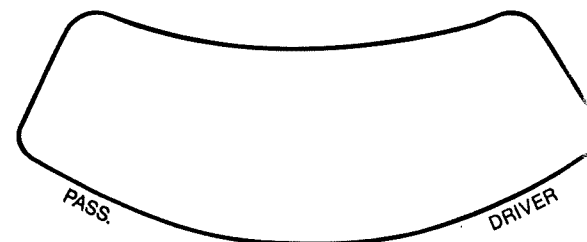
Date

Pre-Installation Inspection: Please check any areas that are damaged prior to installation and describe below.

Hood <input type="checkbox"/>	Truck <input type="checkbox"/>	Roof <input type="checkbox"/>	
Front Fender		FR Roof Pillar	
Pass. (R) <input type="checkbox"/>		Pass. (R) <input type="checkbox"/>	
Driver (L) <input type="checkbox"/>		Driver (L) <input type="checkbox"/>	
Front Door		Rear Roof Pillar	
Pass. (R) <input type="checkbox"/>		Pass. (R) <input type="checkbox"/>	
Driver (L) <input type="checkbox"/>		Driver (L) <input type="checkbox"/>	
Rear Door		Interior <input type="checkbox"/>	
Pass. (R) <input type="checkbox"/>			
Driver (L) <input type="checkbox"/>		Other <input type="checkbox"/>	

Describe: _____

Vendor: Please mark the location of damage to windshield.



Door Glass			
Front	<input type="checkbox"/>	Rear	<input type="checkbox"/>
Pass. (R)	<input type="checkbox"/>	Driver (L)	<input type="checkbox"/>
Quarter			
Front	<input type="checkbox"/>	Rear	<input type="checkbox"/>
Pass. (R)	<input type="checkbox"/>	Driver (L)	<input type="checkbox"/>
Vent			
Front	<input type="checkbox"/>	Rear	<input type="checkbox"/>
Pass. (R)	<input type="checkbox"/>	Driver (L)	<input type="checkbox"/>
Back	<input type="checkbox"/>		



2001 GREENLEAF AVE., ELK GROVE VILLAGE, IL 60007
(708) 364-2900 OR (800) 826-8682
NATIONWIDE AUTO GLASS REPLACEMENT PROGRAM

WINDSHIELD DELIVERY RECEIPT FORM:

TO SERVICE CENTER

FILL OUT THIS FORM, OBTAIN INSURED/LEASING COMPANY'S SIGNATURE. GIVE YELLOW COPY TO THE CUSTOMER AS HIS RECEIPT. ATTACH THE 1ST PLY OF THIS FORM TO THE INVOICE COPY YOU SEND TO GLOBE AMERADA. RETAIN THE PINK COPY FOR YOUR RECORDS.
PAYMENT CANNOT BE PROCESSED WITHOUT A COMPLETED FORM.

BEFORE REPLACEMENT – CHECK ONLY IF DAMAGED

FRONT END

- ☐ Front Bumper
- ☐ Grille
- ☐ Hood

REAR PASSENGER SIDE

- ☐ Right Side Quarter Panel
- ☐ Rear Door

DRIVER'S (LEFT SIDE)

- ☐ Fender
- ☐ Driver's Door

PASSENGER (RIGHT SIDE)

- ☐ Fender
- ☐ Passenger Door

REAR DRIVER'S SIDE

- ☐ Left Side Quarter Panel
- ☐ Rear Door

REAR

- ☐ Rear Bumper
- ☐ Trunk Lid

☐ WHEEL COVER/ANTENNA

Interior Damage: _____

Other Damage: _____

Insured's Signature _____ Inspector's Signature _____

CUSTOMER INFORMATION		TODAY'S DATE	GLOBE AMERADA AUTHORIZATION NO.
NAME OF DRIVER AND/OR INSURED			ORIGINAL AUTH. NO.
BUSINESS PHONE NO. ()	HOME PHONE NO. ()		ADDITIONAL AUTH. NO.

GLASS VENDOR INFORMATION				
YOUR INVOICE NO.	DATE	VIN#	MILEAGE	LICENSE PLATE NO.

We have just had the privilege of replacing the glass in your automobile. A structural and safety element of your vehicle has just been repaired by using methods and materials which retain the manufacturers original integrity and retention characteristics.

Urethane used by all our Network Shops either meets or exceeds the Manufacturers requirements.

Until the adhesive process is complete, the following care should be taken. Please Review & Initial:

LEAVE A WINDOW ROLLED DOWN A CRACK (3/4 INCH). _____

DO NOT RUN YOUR VEHICLE THROUGH THE CAR WASH FOR 72 HOURS. _____

DO NOT SLAM THE DOOR. _____

DO NOT JAM ARTICLES AGAINST THE WINDSHIELD OR DASHBOARD. _____

CURING TIME VARIES FROM VEHICLE TO VEHICLE, ALTHOUGH IT IS RECOMMENDED THE VEHICLE NOT BE DRIVEN OR DRIVEN AS LITTLE AS POSSIBLE DURING THE FIRST 24 HOURS. _____

GLOBE AMERADA GUARANTEE

This windshield and/or backglass is guaranteed against water leakage due to defective material or workmanship as long as the present owner continues to own this vehicle. This guarantee is limited to repair or replacement by an authorized Globe Amerada installer. Globe Amerada's Nationwide Auto Glass Replacement Program is not liable for special, incidental, indirect or consequential damages. This guarantee is exclusive and in lieu of all other guarantees.

STATEMENT OF FINAL AND SATISFACTORY COMPLETION AND AUTHORIZATION TO PAY

The undersigned acknowledges receipt of the goods and services requested and acknowledges he has inspected same and is satisfied herewith.

The undersigned further acknowledges all services were performed in a workman-like manner to his/her satisfaction and authorizes the insurance, fleet, or leasing company to pay GLOBE AMERADA GLASS direct for payment of this claim. The undersigned agrees that he/she is personally responsible for payment of this invoice irrespective of any insurance coverage which may pertain hereto.

Signature of Customer _____ Date 15-5

CUSTOMER COMMENTS ON SERVICE: _____