

BOB KULP

STATE REPRESENTATIVE • 69TH ASSEMBLY DISTRICT

April 20, 2017
Committee on Insurance Public Hearing
Rep. Bob Kulp Testimony in favor of AB 68/SB 39

Chairman Peterson and members of the committee,

Thank you for hearing this important bill. It's important to a small, yet very significant group of people in our State, the Mennonites. I think it's also important to our State as a whole. I will try to tell you why.

This is a bill designed to allow the Mennonites (and possibly other long standing religious sects) an alternate way to insure that their obligations are met pertaining to motor vehicle financial responsibility and liability.

First, let me tell you a bit about Mennonites. As many of you may know, this is my faith heritage. Although I'm no longer Mennonite, and haven't been for over 20 years ago, I speak from first-hand knowledge of their culture and our history.

When Mennonites moved to the Americas back in the early and mid-1700's, they came primarily so they could be allowed to practice their faith in freedom. They had grown accustomed to, but never accepted, the state/church in Europe interfering with their beliefs and their conscience. I personally have 8 of my ancestors who lost their lives as martyrs because of these differences in Switzerland, and many modern Mennonites share that history.

I trust you can see from the brief testimony so far, that Mennonites have been in America a very long time. They've enjoyed the freedom and prosperity that is common to all of us that work hard and take individual responsibility.

Mennonites followed the western migration and expansion that many of our ancestors experienced over the last 300 years or so, settling the Midwest and West. When my family moved to Central Wisconsin from Northern Indiana 37 years ago, there were only a handful of families in the area. Now there are hundreds of families and, in theory, if you were to remove them from the area, Clark and Marathon County, and many other counties in our State would be much different places.

There are at least three reasons that Mennonites move into an area or to another State. Those reasons are that there are laws in that State that are favorable for them and that there is inexpensive land and the opportunity to be free to follow their calling before God.

They take that land and turn it into profitable family farms that are passed on from generation to generation. They start businesses and employ people. They pay taxes and are part of volunteer fire and emergency departments. They have a sense of community and responsibility that is unsurpassed. They pay their bills and meet their obligations. They avoid conflicts and give so much more back to the

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community than they are ever willing to take. These are good people that we need to retain in our communities. That's why this is important to all of us in the State.

Faith in God and in their communities is very strong, and they strongly prefer not to trust in outside commercial insurance companies. That has been their long history. They also have a track record of making sure that they settle vehicle crashes to the satisfaction of all involved. I want to stress that this bill is not an exemption from responsibility for them. It's an alternate way for them to meet their obligations, in a systematic and official way, in the unfortunate circumstance that an accident happens.

Some years ago, when the legal ground shifted under them, they banded together and worked out arrangements to meet their obligations. This has resulted in a patchwork with local sheriffs and law enforcement officers. They initiated these discussions and these arrangements. Their passion has always been to show that they are financially responsible and will take care of the obligations incurred in accidents.

Currently, there is a provision in State law that allows companies to self-insure their vehicles by issuing a certificate of self-insurance. This bill simply allows the DOT to do the same for religious sects that "have a long-standing history of mutual financial assistance in time of need to the extent that they share in financial obligations of other members who would otherwise be unable to meet their obligations". As you can see from my testimony, this is the case for them.

They will be required to register members' vehicles collectively with the DOT and those will be on file with the DOT. The DOT also will need to be "satisfied that the religious sect is possessed,

and will continue to be possessed, of ability to pay judgments obtained against the religious sect".

I would think that this would even be a bi-partisan bill. Both parties in this State have always done a good job of respecting the religious and cultural beliefs of other cultures. That's especially true if those ideas have stood the test of time for many centuries and have not conflicted with others in our State. This bill in no way diminishes this groups responsibility. In fact, the reality that they are here today after having initiated this conversation, shows how much they care about being responsible citizens.

There are other States that have seen this alternate way of accommodating the beliefs to be good public policy. This community contributes so much to the fabric and vitality of the respective places they live. I encourage you to pass this bill so that our State can join the ranks of other States who have done the same.

Thanks again for holding this hearing today!

I'd take any questions you may have.

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FREEDOM FROM RELIGION *foundation*

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Testimony of Sam Grover, Staff Attorney, Freedom From Religion Foundation Comments before Assembly Committee on Insurance – AB 68

April 20, 2017

Thank you Chairman Petersen, Vice-Chair Duchow, and members of the Committee. My name is Sam Grover and I am a staff attorney for the Wisconsin-based Freedom From Religion Foundation. I appreciate having the opportunity to submit testimony to the Committee.

Assembly Bill 68 came to FFRF's attention because it proposes something truly incredible: to convert churches into state-approved auto insurers. This proposal is not some small expansion of an existing regulation. It represents a significant shift in the way that our state's Department of Motor Vehicles handles insurance and creates a unique privilege for religious congregations. In its current form the bill creates serious constitutional challenges for the state and raises questions from a practical standpoint.

From a legal standpoint, this bill is framed as an accommodation for religious sects. But personal religious beliefs cannot trample citizen's rights or trump the state's compelling interest in public safety. There are good reasons why our state mandates auto insurance. The law is meant not just to protect the insured, but also other citizens who may be involved in a collision with the insured. This bill would put all drivers in the state at financial risk. If a person is involved in a costly collision with a member of a religious sect, he or she could find that the sect cannot cover medical costs or the repair bill, leaving the victim without financial recourse.

But even in a less extreme collision, a victim seeking remedy is still left negotiating with a religious sect, rather than a commercial company. Nothing in this bill ensures that religious sects are held to the same standards and business practices that apply to commercial auto insurers. There are no guarantees covering reinsurance or bankruptcy protection for the religious sect, financial transparency, expediency of service, or, indeed, any form of accountability.

This bill also poses challenges to those within qualifying religious sects that haven't been fully addressed. The bill would effectively turn churches into unregulated insurance companies. Congregants who get into a fender bender may find themselves facing down church elders who pressure them into not repairing their vehicles, or not seeking medical treatment, since those costs would come directly out of church coffers. Religious leaders can apply substantial coercive pressure to their congregants. The result may well be untreated injuries within the sect and unrepaired vehicles on the roads.

Finally, this proposal puts the Wisconsin Assembly on a collision course with the First Amendment. The government cannot favor one religious sect over others, yet AB 68 carves out a narrow exemption that applies only to sects with an established 25-year history of mutual financial assistance and cuts off eligibility after one year. This approach transparently favors older religious sects above newer or yet-to-be-established ones. The law also favors religion generally over nonreligion, since the financial benefits of self-insuring are only offered to members of religious groups, not the public generally. Finally, the bill would require the DMV to begin tracking the religious affiliation of its customers, something it does not currently do. This will necessarily entangle the government with religion by requiring the DMV to determine what constitutes a "religious sect," a term that is undefined in the legislation.

Thank you for considering these unresolved issues with AB 68. The bill is both legally suspect and poses significant practical problems. I am happy to provide further information to the Committee as needed.