



Kansas Department of Insurance

Commissioner Vicki Schmidt

Proponent Testimony for HB 2042

January 27, 2025

Chairman Sutton and Members of the Committee,

Thank you for the opportunity to testify in support of House Bill 2042.

This bill simplifies and removes unenforceable parts of the title insurance statutes. First, the bill changes the requirements for title insurance agents annual audits. Currently, title agents must provide a copy to the Commissioner within 30 days after each calendar year. This bill would require the audit to be available for inspection rather than to be submitted to the Commissioner. The requirement for the audit would remain unchanged, but by making it available upon request the Department will reduce the amount of staff time required to collect and maintain these audits every year for when there is no immediate need.

Second, the bill simplifies the surety bond requirement tiers for title agents that handle escrow, settlement or closing accounts. Currently, agents file a surety bond in an amount that correspond with the population of the county: \$100,000 for counties over 40,00 people, \$50,000 for counties with a population between 20,000-40,000, and \$25,000 for counties of less than 20,000 people.

This bill would condense those tiers into a single \$100,000 surety bond requirement regardless of county population. This will greatly simplify the records keeping process both for title agents who operate across multiple counties and for Department staff.

Third, this bill eliminates the controlled business exemption for counties with a population of 10,000 or less. Kansas is the last state has this type of population-based exemption. This type of exemption is nearly impossible for the Department to effectively enforce and should be removed.

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