



Kansas Department of Insurance

Commissioner Vicki Schmidt

Proponent Testimony for House Bill 2045

January 29, 2025

Chairman Sutton and Members of the Committee,

Thank you for the opportunity to testify in support of House Bill 2045.

House Bill 2045 amends K.S.A. 40-2102, 40-2109, 40-3116, and 40-3413, by reducing the number of board members on certain insurance-related governing boards. It also adds language to allow for the removal of appointed board members for inefficiency, neglect of duty, or malfeasance. The bill also amends K.S.A. 75-4101 to remove the requirement the State's Committee on Surety Bonds and Insurance to meet at prescribed times.

This bill would reduce the size of three boards that the Commissioner appoints the members of:

- Kansas Automobile Assigned Claims Plan and Automobile Insurance Plan Board of Governors (9 reduced to 5)
- Kansas Workers Compensation Insurance Governing Board (9 reduced to 7)
- Kansas Health Care Provider Insurance Availability Plan Board of Directors (9 reduced to 5)

The reduction in membership is categorical for these three boards; no particular category of representation will be expanded. The bill allows current members of these boards to serve out the remainder of 2025, before either reappointment for a three- or four-year term or removal.

Additionally, this bill adds language that will allow the Commissioner the ability to remove appointed board members for inefficiency, neglect of duty, or malfeasance. This will bring the associated statutes in line with industry standards and protect the boards and the Department from behavior that deviates from their mission.

Finally, this bill changes the meeting requirements for the Committee on Surety Bonds and Insurance. Currently, per K.S.A. 75-4101, the committee meets monthly, on the second Monday of the month. This bill removes that language and allows meetings to be upon call of the chair. This will allow the board to be more flexible and avoid unnecessary meetings at times when there is no business to discuss.

This bill creates further efficiencies and cost savings by bringing the operations of these boards in line with what is necessary to conduct their business. Often it can be difficult for the Department to find representatives that are willing and able to serve on these boards. This bill helps with that issue and encourages board membership that is active and not perfunctory.

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