

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

**MEMORANDUM**

To: Chair Dietrich and the Senate Committee on Financial Institutions and Insurance

From: Office of Revisor of Statutes

Date: January 28, 2025

Subject: **SB 23 - Requiring agents and insurers to respond to inquiries from the commissioner of insurance within 14 calendar days and authorizing certain rebate pilot programs to exceed one year in duration.**

---

K.S.A. 40-2404 is the statute relating to unfair methods of competition or unfair and deceptive acts and practices. SB 23 amends this statute in two ways.

Currently, an insurer may offer a value-added product or service to their customers if the insurer can prove that: (1) The product or service must relate to the insurance coverage provided; and (2) be primarily designed to provide: (A) Loss mitigation or loss control; (B) reduce claims cost or claim settlement costs; (C) provide education about liability risks or risk of loss; (D) monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk; (E) enhance health; (F) enhance financial wellness through education or financial planning services; (G) provide post-loss services; or (H) incentive behavioral changes to improve the health or reduce the risk of death or disability of a customer.

The availability of the value-added product or service is required to be based on objective criteria and offered in a manner that is not unfairly discriminatory. If an insurer or producer does not have sufficient evidence but has a good faith belief that the product or service meets the requirements necessary, then the insurer or producer may offer a pilot or testing program not to exceed one year in length. SB 23 would allow the insurer or producer to extend that one year period for any additional time needed to determine if the product or service meets the criteria or not.

Second, SB 23 would make it an unfair method of competition or an unfair and deceptive act or practice by making it an unfair claim settlement practice for an insurer to fail to respond to an inquiry from the insurance department concerning a complaint or inquiry related to a particular matter within 14 calendar days of receipt of such inquiry to furnish the department with an adequate response to the inquiry.

Further, SB 23 amends K.S.A. 40-4909, the Uniform Insurance Agents Licensing Act, adding the failure of an insurer to respond to an inquiry from the insurance department as described above, to the list of actions the commission of which could lead the commissioner to deny, suspend, revoke, or refuse to renew a license or application for license.