

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2050**

As Agreed to March 24, 2025

Brief*

HB 2050 would amend the Insurance Code of the State of Kansas relating to the powers, duties, and responsibilities of the Commissioner of Insurance (Commissioner). The bill would grant the Commissioner the ability to decrease the number of appointed board members on certain boards that fall under the Commissioner's appointing authority and remove the requirements for the Committee on Surety Bonds and Insurance to meet at least once per month and that the meetings be held in the office of the Commissioner.

The bill would authorize the Commissioner to set the amount of fees and fines for applications, licenses, license renewals, certificates of authority, and other required filings by certain insurance entities and public adjusters under the jurisdiction of the Commissioner. The bill would set the maximum amount of the fees and fines for insurance entities and public adjusters as they are currently established in statute. The bill would require the Commissioner to set the fees and fines for the next succeeding calendar year and publish those in the *Kansas Register* no later than December 1 of each calendar year, and establish a one-time fee for all newly certified agents associated with a company. The bill would establish a one-time fee for all newly certified agents associated with a company until either the company or agent terminates the appointment. The fee would be non-recurrent and constitute the only appointment fee charged for the duration of the newly certified agent's employment with the appointing company.

The bill would amend law related to non-admitted insurers authorized to do business in Kansas.

The bill would also rename the Kansas Insurance Department as the Kansas Department of Insurance; the Office of the Securities Commissioner of Kansas as the Department of Insurance, Securities Division; and the Securities Commissioner as the Department of Insurance Assistant Commissioner, Securities Division. The bill also would remove the requirement for the Senate to confirm the Department of Insurance Assistant Commissioner, Securities Division, appointee.

The bill would also make technical and conforming amendments.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <https://klrd.gov/>

Board Membership and Meetings

The bill would grant the Commissioner the ability to decrease the number of appointed board members on certain boards that fall under the Commissioner's appointing authority. The bill would remove the requirements for the Committee on Surety Bonds and Insurance to meet at least once per month and that the meetings be held in the office of the Commissioner.

Board Membership

The bill would provide for a reduction in membership for four governing boards under the jurisdiction of the Commissioner, including:

- The governing board for the Kansas Automobile and Motor Vehicle Bodily Injury and Property Damage Liability Insurance Plan;
- The Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board;
- The governing board for the Kansas Automobile Assigned Claims Plan for personal injury protection benefits; and
- The Health Care Provider Insurance Availability Plan Board of Directors.

For each governing board, with the exception of the Kansas Automobile Assigned Claims Plan, the bill would provide for the terms of members appointed and serving on the governing board as of July 1, 2025, to expire on December 31, 2025.

Kansas Automobile and Motor Vehicle Bodily Injury and Property Damage Liability Insurance Plan. The bill would provide for a reduction in membership for the governing board of the Kansas Automobile and Motor Vehicle Bodily Injury and Property Damage Liability Insurance Plan from nine members to five members.

The Commissioner would appoint a governing board for the plan, which would serve on and after January 1, 2026, and would have the same duties and functions as its predecessor. On and after January 1, 2026, the members of the governing board would serve three-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board would consist of five members to be appointed as follows:

- Three members would be representatives of insurers;
- One member would be a representative of independent insurance agents; and
- One member would be a representative of the general public.

In making appointments to the governing board, the Commissioner would consider if foreign and domestic insurers are fairly represented. [*Note: A domestic insurer is an insurance company formed under the laws of the State of Kansas. A foreign insurer is an insurance company formed under the laws of a state other than Kansas.*]

Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board. The bill would provide for a reduction in membership for the Kansas Workers

Compensation and Employer's Liability Insurance Plan Governing Board from nine members to seven members.

The Commissioner would appoint a governing board that would serve on and after January 1, 2026, and would have the same duties and functions as its predecessor. On and after January 1, 2026, the members of the Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board would serve three-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board would consist of seven members to be appointed as follows:

- Four members would be representatives of insurance companies;
- Two members would be representatives of licensed insurance agents; and
- One member would be a representative of the general public.

In making appointments to the governing board, the Commissioner would consider if foreign and domestic insurers are fairly represented.

Kansas Automobile Assigned Claims Plan. The bill would state that on and after January 1, 2026, the governing committee for the Kansas Automobile Assigned Claims Plan for personal injury protection benefits would consist of five members, who would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. [Note: KAR 40-3-35 provides for the appointment of nine members.] Members would be appointed as follows:

- Three members would be representatives of insurers;
- One member would be a representative of independent insurance agents; and
- One member would be a representative of the general public.

The Commissioner would be required to consider whether foreign and domestic insurers are fairly represented in selecting the members.

[Note: Effective January 1, 2024, the Kansas Automobile Assigned Claims Plan is now managed by AIPSO, a national, not-for-profit corporation formed by the insurance industry to provide services to automobile insurance residual markets throughout the country.]

Health Care Provider Insurance Availability Plan Board of Directors. The bill would provide for a reduction in membership for the Health Care Provider Insurance Availability Plan Board of Directors from nine members to five members.

The Commissioner would appoint a governing board that would serve on and after January 1, 2026, and would have the same duties and functions as its predecessor. On and after January 1, 2026, the members of the Health Care Provider Insurance Availability Plan Governing Board would serve four-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board would consist of five members to be appointed as follows:

- One member would be a representative of foreign insurers;
- One member would be a representative of domestic insurers;
- One member would be a health care provider;

- One member would be a licensed insurance agent engaged in the solicitation of casualty insurance; and
- One member would be the chairperson of the Governing Board or the chairperson's designee.

Board Meetings

The bill would remove the requirements for the Committee on Surety Bonds and Insurance to meet at least once per month and that the meetings be held in the office of the Commissioner. Meetings would remain at the call of the Chair.

Setting and Publication of Certain Fees and Fines

The bill would authorize the Commissioner to set the amount of fees and fines for applications, licenses, license renewals, certificates of authority, and other required filings by certain insurance entities and public adjusters under the jurisdiction of the Commissioner. The bill would set the maximum amount of the fees and fines for insurance entities and public adjusters as they are currently established in statute and outlined below.

The bill would also require the Commissioner to set the fees and fines for the next succeeding calendar year and publish those in the *Kansas Register* no later than December 1 of each calendar year.

The bill would establish a one-time fee for all newly certified agents associated with a company until either the company or agent terminates the appointment. The fee would be non-recurrent and constitute the only appointment fee charged for the duration of the newly certified agent's employment with the appointing company.

Modification of Fees and Fines

The bill would set the current fee amount in statute as the maximum amount that could be assessed for the following fines and fees:

- Application for license to sell stock of insurance company or health maintenance organization;
- Fee for insurance companies or fraternal benefit societies to file a summons or order of garnishment;
- Admission and annual fees for the following entities organized under Kansas law or under the laws of any other state, territory, or country:
 - Capital stock insurance companies and mutual legal reserve life insurance companies;
 - Mutual life, accident, and health associations; mutual fire, hail, casualty, and multiple line insurers and reciprocal or interinsurance exchanges;
 - Fraternal benefit societies;

- Mutual nonprofit hospital service corporations;
- Nonprofit medical service corporations; nonprofit dental service corporations;
- Nonprofit optometric service corporations; and
- Nonprofit pharmacy service corporations;
- Notification fee for utilizing the services of managing general agents;
- Application fee for certificate of authority for life insurance companies;
- Application fee for license as a rating organization;
- Application fee for certificate of authority for utilization review organizations;
- Continuation fee for license as a premium finance company;
- Annual registration fee for certificate of authority to transact life, accident, and health insurance business in the state;
- Fees for filing an application for a certificate of authority, filing an annual report, and for filing an amendment to the certificate of authority for health maintenance organizations and Medicare provider organizations;
- Filing fee for transactions affecting control of domestic insurers;
- Application fee for licensure as a home state third-party administrator (TPA);
- Application fee for licensure as a non-resident TPA;
- Fee to file an annual report by a TPA;
- Application fee for licensure as a pharmacy benefit manager (PBM) and penalty fee for failure to timely inform the Commissioner of a material change in the application information;
- PBM license renewal fee and penalty fee for late license renewal;
- Notification fee for risk retention groups to do business in the state;
- Notification fee to do business in the state as a purchasing group;
- Annual continuation fee for certificate of registration as a prepaid service plan;
- Fees for certificate of authority and annual renewal for captive insurance companies;
- License renewal fee for dormant captive insurance companies;
- Fees for application for certificate of authority and annual renewal for special purpose insurance captive insurance companies;
- Fees for application for licensure and annual continuation as a reinsurance intermediary;

- Continuing education credit qualification fee for all courses, programs of study, or subjects submitted by a specific provider or provider organization and an annual provider fee;
- Fees for application for licensure and annual renewal to operate as a viatical settlement provider or a viatical settlement broker; and
- Public adjuster license renewal fee.

Non-admitted Insurers Authorized to do Business in Kansas

The bill would amend law related to non-admitted insurers authorized to do business in Kansas.

Eligible Non-admitted Insurers

Current law requires the Commissioner to maintain a list of insurers not authorized to do business in the state. The bill would replace the phrase “insurer not authorized to do business in this state” with “eligible nonadmitted insurer” throughout the bill and require the Commissioner to maintain a list of such eligible non-admitted insurers.

The bill would state that a non-admitted insurer not included on the Commissioner’s eligible non-admitted insurer list could transact business in the state if the insurer meets the eligibility requirements outlined in federal law regarding uniform standards for surplus lines eligibility.

The bill would also remove the non-admitted insurer’s non-refundable annual statement filing fee of \$200.

Capital Requirement. The bill would increase the capital or surplus requirement for inclusion on the Commissioner’s eligible non-admitted insurer list from \$4.5 million to an amount equal to or greater than \$15.0 million.

Motor Vehicle Dealer Licensure Insurance Requirements

The bill would allow motor vehicle dealers to hold insurance issued by an eligible non-admitted insurer, and such insurance would allow the dealer to meet the criteria for license issuance or renewal.

Renaming of Kansas Insurance Department and Office of Securities Commissioner of Kansas; Removal of Confirmation Requirement

Kansas Department of Insurance

The bill would rename the Kansas Insurance Department as the Kansas Department of Insurance and clarify that whenever the Kansas Insurance Department, or words of like effect,

are referred to or designated by a statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty of the Kansas Insurance Department, the term shall be deemed to apply to the Kansas Department of Insurance.

Transfer of powers, duties, and functions to the Kansas Department of Insurance. The bill would transfer and impose all powers, duties, and functions of the Kansas Insurance Department upon the Kansas Department of Insurance.

Rules and regulations, orders, and directives. The bill would deem all rules and regulations, orders, and directives of the Commissioner of Insurance of the Kansas Insurance Department that are in effect on July 1, 2025, as effective and deemed to be rules and regulations, orders, and directives of the Commissioner of the Kansas Department of Insurance until amended, revoked, or nullified.

Department of Insurance, Securities Division

The bill would rename the Office of the Securities Commissioner of Kansas to the Department of Insurance, Securities Division. The bill would clarify that whenever the Office of the Securities Commissioner of Kansas, or words of like effect, are referred to or designated by a statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty of the Office of the Securities Commissioner of Kansas, the term shall be deemed to apply to the Department of Insurance, Securities Division.

Transfer of powers, duties, and functions to the Department of Insurance, Securities Division. The bill would transfer and impose all powers, duties, and functions of the Office of the Securities Commissioner of Kansas upon the Department of Insurance, Securities Division.

Department of Insurance Assistant Commissioner, Securities Division

The bill would rename the Securities Commissioner as the Department of Insurance Assistant Commissioner, Securities Division. The bill would deem, whenever the Securities Commissioner, or words of like effect, are referred to or designated by statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty of the Securities Commissioner of Kansas, the term shall apply to the Department of Insurance Assistant Commissioner, Securities Division.

The position would continue to be appointed by the Commissioner but the requirement for Senate Confirmation for the role would be removed.

Transfer of powers, duties, and functions to the Department of Insurance Assistant Commissioner, Securities Division. The bill would transfer all powers, duties, and functions of the Securities Commissioner to the Department of Insurance Assistant Commissioner, Securities Division.

Rules and regulations, orders, and directives. The bill would deem all rules and regulations, orders, and directives of the Securities Commissioner of Kansas that are in effect on July 1, 2025, as effective and as rules and regulations, orders, and directives of the Department of Insurance Assistant Commissioner, Securities Division, until amended, revoked, or nullified.

Conference Committee Action

The Conference Committee agreed to the provisions of HB 2050, as amended by the Senate Committee on Financial Institutions and Insurance. The Conference Committee agreed to add the contents of SB 20, HB 2087, and HB 2333 into HB 2050. The Conference Committee further agreed to change the effective date to upon publication in the statute book.

Background

The Conference Committee inserted the contents of SB 20, HB 2087, and HB 2333 into HB 2050 and changed the effective date to publication in the statute book.

HB 2050 (Setting and Publication of Certain Fees and Fines)

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Insurance Department.

[*Note:* The bill was modeled after 2023 HB 2090, which was enacted to allow the Commissioner to lower licensure fees for insurance agents and insurance agencies in Kansas.]

House Committee on Insurance

In the House Committee hearing, proponent testimony was provided by a representative of the Department, who stated the bill would grant the Commissioner the flexibility to lower more than 100 statutorily set fees and fines, in an amount not to exceed the currently established amount in statute. The representative noted publishing the fees and fines for the next year in the *Kansas Register* would provide the regulated entities time to plan their budgets for the next calendar year. The representative also noted that the bill would eliminate the appointment renewal fee insurance companies pay annually per insurance agent selling policies on their behalf in Kansas. The elimination of these fees is expected to reduce revenues to the Department by nearly \$6.0 million.

No other testimony was provided.

The House Committee amended the bill to clarify the annual appointment renewal fee would only be eliminated until termination of the appointment by the company or agent. [*Note:* The Conference Committee did not retain this amendment.]

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Department, who noted the bill eliminates the appointment renewal fee insurance companies pay annually per insurance agent selling policies on their behalf in Kansas. The representative stated the Department requested the word “newly” to clarify this change but does not have any issue with the additional amendments made by the House Committee.

No other testimony was provided.

The Senate Committee amended the bill to clarify that the initial appointment fee is non-recurrent and would be the only appointment fee charged for the duration of the agent's employment with the appointing company. [Note: The Conference Committee retained this amendment.] The Senate Committee also changed the effective date of the bill to upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

SB 20 (Board Membership and Meetings)

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of a representative of the Kansas Insurance Department.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, a representative of the Kansas Insurance Department provided **proponent** testimony, stating reductions in board membership under the Commissioner's jurisdiction would result in efficiencies and cost savings by bringing the boards in line with what is necessary to conduct their business. The conferee also stated allowing the Commissioner to remove appointed board members for inefficiency, neglect of duty, or malfeasance would bring the statutes to industry standard and protect the boards and the Department from behavior that deviates from their mission.

No other testimony was provided.

House Committee on Insurance

In the House Committee hearing, no testimony was provided.

The House Committee amended the bill to change the effective date to be upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

HB 2087 (Non-admitted Insurers Authorized to do Business in Kansas)

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Association of Insurance Agents (KAIA).

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of the American Property Casualty Insurance Association, KAIA, and Wholesale & Specialty Insurance Association. The proponent indicated the bill would modernize the eligibility criteria for non-admitted insurers writing business in Kansas. He also stated the bill would standardize legal references to non-admitted insurers and would make the eligibility criteria for non-admitted insurers in Kansas compatible with the federal Nonadmitted and Reinsurance Reform Act.

Written-only proponent testimony was provided by a representative of the Chris-Leef General Agency, Inc.

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the American Property Casualty Insurance Association, KAIA, and Wholesale & Specialty Insurance Association. The proponent stated “eligible nonadmitted” is the language used by the National Association of Insurance Commissioners, and the bill would modernize statute regarding non-admitted insurers who have the flexibility to cover hard-to-place risks.

Written-only proponent testimony was provided by a representative of Chris-Leef General Agency, Inc.

No other testimony was provided.

The Senate Committee amended the bill to change the effective date to be upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

HB 2333 (Renaming of Kansas Insurance Department and Office of Securities Commissioner of Kansas; Removal of Confirmation Requirement)

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Insurance Department.

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of the Kansas Insurance Department, who indicated the bill would bring clarity and uniformity to the current statutory framework for the regulation of insurance in the state of Kansas, and clarify the name of the regulatory entity of insurance in the state of Kansas as the “Department of Insurance.”

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, proponent testimony was provided by a representative of the Kansas Insurance Department, who noted the bill would update titles to reflect the 2017 consolidation of the Office of the Securities Commissioner as a division of the Department.

No other testimony was provided.

The Committee amended the bill to change the effective date to be upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

Fiscal Information

HB 2050 (Setting and Publication of Certain Fees and Fines)

According to the fiscal note prepared by the Division of the Budget on HB 2050, as introduced, the Kansas Insurance Department states that enactment of the bill could change agency revenues, which would depend on the rates the Commissioner sets each year. The agency cannot estimate the changes in revenues.

Any fiscal effect associated with the bill is not reflected in *The FY 2026 Governor's Budget Report*.

SB 20 (Board Membership and Meetings)

According to the fiscal note prepared by the Division of the Budget on SB 20, as introduced, the Kansas Insurance Department states that enactment of the bill would not have a fiscal effect.

HB 2087 (Non-admitted Insurers Authorized to do Business in Kansas)

According to the fiscal note prepared by the Division of the Budget on HB 2087, as introduced, the Kansas Insurance Department states because the bill would eliminate the \$200 filing fee, its revenues into the Insurance Department Service Regulation Fund would decrease annually by \$45,000 starting in FY 2026. Any fiscal effect associated with the bill is not reflected in *The FY 2026 Governor's Budget Report*.

HB 2333 (Renaming of Kansas Insurance Department and Office of Securities Commissioner of Kansas; Removal of Confirmation Requirement)

According to the fiscal note prepared by the Division of the Budget on HB 2333, as introduced, the Kansas Insurance Department states the bill would have a negligible fiscal effect on agency operating expenditures and any additional workload would be absorbed by existing staff. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Insurance; Commissioner of Insurance; duties and powers; board membership; meetings; fees; nonadmitted insurers; eligibility; vehicle dealer insurance; excess coverage; Kansas Department of Insurance; Department of Insurance, Securities Division; Department of Insurance Assistant Commissioner, Securities Division

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