

SESSION OF 2025

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2042**

As Amended by House Committee on Insurance

**Brief\***

HB 2042, as amended, would do the following:

- Require the annual audit of a title insurance agent be provided to the Insurance Commissioner upon request;
- Require any title insurance agent, regardless of the county's population size, who handles escrow, settlement, or closing accounts. to file documentation with the Insurance of Commissioner of a \$100,000 surety bond or irrevocable letter of credit;
- Clarify that an applicant for life, accident, and health insurance who is the proposed insured shall not be asked if they have been or may be the subject of domestic abuse or has sought or had reason to seek medical or psychological treatment or counseling specifically for abuse, protection from abuse, or shelter from abuse; and
- Remove the controlled business exemption in counties that have a population of 10,000 or less for title insurer or title agent.

The bill would also make other technical corrections and reconciling changes in the Insurance Code. The effective date of the bill would be January 1, 2026.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

## **Background**

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

[*Note:* A companion bill, SB 22, has been introduced in the Senate.]

## ***House Committee on Insurance***

In the House Committee hearing on January 27, 2025, a representative of the Department provided **proponent** testimony, stating the bill would still require the audits to be completed annually and would be available upon request of the Department. This would assist the Department in a reduction of resources to collect and store the audits. The representative also testified that the bill would condense the tiers related to a single \$100,000 surety bond requirement for all county populations. Additionally, the bill would eliminate the controlled business exemption for all counties with a population of 10,000 or less. It was noted that Kansas is the last state to have this type of population-based exemption.

No other testimony was provided.

The House Committee amended the bill to change the effective date to January 1, 2026.

## **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department indicates enactment of the bill would have no fiscal effect. The Division of the Budget notes that title insurance agents could experience higher operating costs.

Insurance; title insurance; Insurance Commissioner; surety bonds; controlled business; domestic abuse