

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2050

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2050, as amended, would authorize the Commissioner of Insurance (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.

The bill would be in effect upon publication in the *Kansas Register*.

*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/>

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 non-profit hospital service corporations;
 - Non-profit medical service corporations; non-profit dental service corporations;
 - Non-profit optometric service corporations; and
 - Non-profit 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.

Background

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Insurance Department (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. A companion bill, SB 24, has passed the Senate.]

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.

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. The Senate Committee also changed the effective date of the bill to upon publication in the *Kansas Register*.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department states that 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*.

Insurance; Commissioner of Insurance; duties and powers; fees