

SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 24

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 24 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 fees and fines for insurance entities and public adjusters currently established in statute as the fee and fine ceilings for the services outlined below.

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.

The bill would also eliminate the annual appointment renewal fee insurance companies pay per insurance agent selling policies on their behalf in Kansas. The fee would be applied for new appointments only.

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 fees and fines:

*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/>

- Application fee for license to engage in the business of selling stock;
- 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 nonresident 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 Senate Committee on Financial Institutions and 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, HB 2050, has been introduced in the House.]

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Department, who stated that the bill grants the Commissioner with flexibility to lower more than 100 statutorily set fees and eliminates an

annual appointment renewal fee for insurance agents, saving money for entities doing business in Kansas.

Written-only proponent testimony was provided by a representative of the Kansas Association of Insurance Agents.

No other testimony was provided.

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