

SESSION OF 2025

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 28**

As Amended by Senate Committee on Financial  
Institutions and Insurance

**Brief\***

SB 28, as amended, would amend the Uniform Insurance Agents Licensing Act and the Public Adjusters Licensing Act to provide the Commissioner of Insurance (Commissioner) with the authority to consult the status of certain licenses or registrations in reviewing applications or renewals for insurance agents and public adjusters.

The Commissioner would also have the authority to suspend, revoke, or refuse to issue or renew a public adjuster's license for failing to respond to an inquiry from the Commissioner within 14 calendar days.

Additionally, the bill would establish criteria for the Commissioner to review when considering whether to deny, suspend, revoke, or refuse to renew the application for a public adjuster's license of an individual who has been convicted of a misdemeanor or felony.

***Review of Licenses and Registrations***

The bill would provide the Commissioner the authority to evaluate the status of public adjuster's licenses and securities registrations when reviewing insurance agent licenses or applications for insurance agent licenses. Similarly, the bill would provide the Commissioner the authority to evaluate the status of public adjuster's licenses and securities registrations

---

\*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/>

when reviewing public adjuster's licenses or applications for public adjuster's licenses.

The Commissioner would also have the authority to suspend, revoke, or refuse to issue or renew a public adjuster's license for failing to respond to an inquiry from the Commissioner within 15 business days.

***Criteria for Review for Public Adjuster's License  
Applicants Convicted of a Misdemeanor or Felony***

The bill would establish criteria for the Commissioner to review when considering whether to deny, suspend, revoke, or refuse to renew the application for public adjuster licensure of an individual who has been convicted of a misdemeanor or felony:

- Applicant's age at the time of conduct;
- Recency of the conduct;
- Reliability of the information concerning the conduct;
- Seriousness of the conduct;
- Factors underlying the conduct;
- Cumulative effect of the conduct or the information;
- Evidence of rehabilitation;
- Applicant's social contributions since the conduct;
- Applicant's candor in the application process; and
- Materiality of any omissions or misrepresentations.

The bill would require the Commissioner to consider the following when determining whether to reinstate or grant to an applicant a public adjuster's license that has been revoked:

- Present moral fitness of the applicant;
- Demonstrated consciousness by the applicant of the wrongful conduct and disrepute that the conduct has brought to the insurance profession;

- Extent of the applicant's rehabilitation;
- Seriousness of the original conduct;
- Applicant's conduct subsequent to discipline;
- Amount of time that has elapsed since the original discipline;
- Applicant's character, maturity, and experience at the time of revocation; and
- Applicant's present competence and skills in the insurance industry.

[*Note:* These criteria are the same as current law for the Commissioner's review of insurance agent licensure or application for licensure (KSA 40-4909).]

The bill would state that any action taken as a result of such review that affects any license or imposes any administrative penalty would be taken only after notice and an opportunity for a hearing conducted in accordance with the Kansas Administrative Procedure Act.

The bill would specify that any costs incurred as a result of conducting an administrative hearing would be assessed against the person who is the subject of the hearing or any business entity represented by such person who is the party to the matters giving rise to the hearing. "Costs" would mean witness fees, mileage allowances, any costs associated with the reproduction of documents that become a part of the hearing record, and the expense of making a record of the hearing.

### ***Suspensions, Revocations, and Reapplication for Public Adjuster Licensure***

Under the bill, no person whose license as a public adjuster had been suspended or revoked could be employed by any insurance company doing business in the state either directly, indirectly, as an independent contractor, or otherwise to negotiate or effect contracts of insurance, suretyship, or

indemnity or perform any act toward the solicitation or transaction of any business of insurance during the period of suspension or revocation.

An applicant to whom a public adjuster's license is denied after a hearing would be prohibited from applying again for a public adjuster's license until after a period of one year from the date of the Commissioner's order. A public adjuster licensee whose license was revoked could not apply again for a public adjuster's license for two years after the Commissioner's order.

[*Note:* These terms are the same as current law for insurance agent licensure (KSA 40-4909).]

## **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:* A companion bill, HB 2049, was 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 brings parity between the statutes that govern insurance agents and public adjusters and allows the Commissioner discretion when reviewing their licensure.

Written-only proponent testimony was provided by a representative of the National Insurance Crime Bureau.

The Committee amended the bill to specify that public adjuster licensees must respond to an inquiry from the Commissioner within 15 business days.

## **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department states the bill would increase agency operating expenditures by an unknown amount; however, any increase would be absorbed by existing resources.

Insurance; licensing; insurance agents; public adjusters; Commissioner of Insurance; duties and powers