

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 55

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

SB 55, as amended, would prohibit solicitation or acceptance of an assignment, in whole or in part, of any post-loss insurance benefit under a residential property insurance policy and add such solicitation or acceptance to the list of unfair claim settlement practices in the business of insurance. Such assignment agreement would be considered against public policy, null and void, an unfair method of competition, and an unfair or deceptive act or practice.

The bill would exempt an assignment, transfer, pledge, or conveyance granted to a federally insured financial institution, mortgagee, or subsequent purchaser of the property or liability coverage under a residential property insurance policy from this prohibition.

The bill would define two terms:

- “Assignment agreement” would mean any instrument by which post-loss benefits under a residential property insurance policy are assigned, transferred, or acquired in any other manner, in whole or in part, to or from a person providing services, including, but not limited to, inspecting, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property; and

*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/>

- “Person” would mean any individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyd’s insurer, fraternal benefit society, and any other legal entity engaged in the business of insurance, including agents, brokers, and adjusters. “Person” would also mean any nonprofit medical and hospital service corporations, administrators, and health maintenance organizations.

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance on behalf of a representative of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC).

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by representatives of KAPCIC and Weddle and Sons, Inc. The conferees generally stated that the bill would help deter unscrupulous roofers and contractors in the state from having homeowners sign over their assignment of benefits, which has led to cases of inflated prices or the contractor suing the insurance company without the knowledge or consent of the homeowner. The proponents indicated that this could help stabilize costs.

Written-only proponent testimony was provided by representatives of Armed Forces Insurance, Farm Bureau Financial Services, the Kansas Building Industry Association, and the National Insurance Crime Bureau.

No other testimony was provided.

The Senate Committee amended the bill to remove its applicability to commercial property insurance.

Fiscal Information

In the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Insurance states that enactment of the bill would not have a fiscal effect on agency operations.

Insurance; property and casualty insurance; assignment of benefits; unfair method of competition; deceptive act or practice