



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

Proponent Testimony for SB 292 – Granting Flexibility in assessing Excess Lines Penalties

March 16, 2020

Chairman Vickrey and Members of the Committee,

Thank you for the opportunity to submit testimony in support of SB 292, which passed 39-0. Under current law, if an individual fails to submit the required filing and pay taxes by March 1, the Commissioner must assess a penalty that is double the amount of the excess lines tax.

We recently ran into examples where the excess lines filing and taxes were submitted just a few days late. The Commissioner lacks the authority to waive the penalty and the flexibility to look at the facts of the situation and impose a smaller penalty because current law says “shall collect double the amount of tax”.

We are not looking to increase the penalty above what is current law. We are looking for flexibility to charge less than the full penalty if there is a reasonable case to warrant a lesser penalty.

Thank you for the opportunity to submit testimony in SB 292 and I am happy to stand for questions.

Lee Modesitt
Director of Government Affairs & Communications