



# KANSAS INSURANCE DEPARTMENT

*Vicki Schmidt, Commissioner*

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## **Kansas Insurance Department overview for Senate Insurance Committee January 14, 2021**

Chairman Longbine and Members of the Committee:

Thank you for the opportunity to appear before you today and update you on the Kansas Insurance Department. First, I want to congratulate each of you on your election to the Kansas Senate. Having served fourteen years in this body, including twelve years on this committee, I know the work you put in to serve your community and I greatly appreciate your service.

The Kansas Insurance Department was established in 1871, which makes 2021 our 150th Anniversary. Another big event happening this year at the Department is accreditation. The Kansas Insurance Department is a member of the National Association of Insurance Commissioners (NAIC). The NAIC is made up of all fifty states and six territories. This organizational structure is the basis for the state-based regulation of the insurance industry. Each state must go through the accreditation process every five years and Kansas is scheduled for fall of 2021.

Accreditation is critical to each state's ability to maintain regulatory authority over their home state companies. Without passing accreditation, we would subject our domiciled companies to the statutes and regulations of other states. There are two legislative items this session that the Department proposes to aid us in this important process.

Our other legislative priorities include updating and improving the producer licensing process, establishing a Security Victims Compensation Fund and a variety of statute cleanup to help Department operations.

While 2020 was a difficult year for many, including the Department, we used this challenge as an opportunity to improve service to Kansans and grow in our mission to Regulate. Educate. Advocate. Despite the pandemic, the Department remains fully operational with a combination of in-office and remote staff.

- Through the approval of at least 83 company filings in our Property and Casualty division, we have helped provide roughly \$90 million in savings to Kansas insurance policy holders.
- After testing facilities were closed, Kansas became the first state in the nation to get facilities back online to help more Kansans become licensed insurance agents. We have also expanded testing to online exams to further modernize the process.

- Our Consumer Assistance Division has worked and closed over 3,000 complaints and inquiries from Kansans, returning more than \$7 million to consumers in 2020.
- With the retirement of Jeff Wagaman, I have appointed Dan Klucas as Acting Securities Commissioner, who will undergo Senate Confirmation this session.

The Department has roughly 125 employees working daily to serve the needs of Kansas consumers, agents, investment adviser representatives, broker dealer agents as well as the agencies, firms and companies doing business in Kansas. If the Department can ever be of assistance to you or one of your constituents, please don't hesitate to contact our office.

Again, congratulations and thank you for the opportunity to appear before the committee.

Vicki Schmidt  
Commissioner of Insurance