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January 29, 2026

Re: House Bill 2351 – Opp McFarland 01.29.26

Submitted Electronically

Dear Chairwoman Humphries and Members of the House Judiciary Committee:

Thank you for the opportunity to submit written testimony on House Bill 2351, a bill to amend the Kansas uniform arbitration act. Security Benefit opposes the bill in its current form.

Kansas law currently permits arbitration provisions in contracts of insurance, and that option should be preserved. Arbitration and other forms of alternative dispute resolution are a beneficial alternative to traditional litigation, affording consumers and insurers speedier, less costly, and effective resolution to disputes. Valid, enforceable agreements to arbitrate should be promoted, not prohibited. Contracts of insurance do not warrant differential treatment as set forth in the bill.

The bill creates uncertainty and imbalance by converting contractual commitments into unilateral "offers." The proposed language transforms mutual contractual agreements into non-binding offers that only the insurer can make, fundamentally altering the terms of insurance contracts. This undermines contract certainty and freedom of contract principles. It creates an imbalance by allowing only one side the opportunity to accept the offer to arbitrate if it was advantageous to them. This frustrates the intent of binding arbitration provisions that give certainty to contracts at the time of inception.

Again, thank you for the opportunity to provide these brief comments on the bill, and thank you for your service to the state of Kansas.

Respectfully submitted,

Justin McFarland
Second Vice President & Assistant General Counsel
Security Benefit Life Insurance Company