House Committee on Judiciary
Testimony in Opposition to House Bill 2351- Arbitration Clauses
Presented by Eric Stafford, Vice President of Government Affairs, Kansas Chamber

Thursday, January 29, 2026

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in opposition to House Bill 2351, which prohibits the use of arbitration clauses in insurance contracts.

We submitted testimony in 2024 in opposition to a similar bill, HB 2593. We said then that the legislation erodes the ability of parties to privately negotiate terms of their contract as a mutually agreed upon way of avoiding costly litigation.

Arbitration clauses are an important and yes, sometimes necessary, provision of contracts to help keep parties and disputes out of court. These clauses protect both businesses and insurers from high costs associated with litigation. HB 2351 would make these provisions against state law, benefitting only attorneys to the detriment of everyone else.

The new language in HB 2351 has made slight changes to clarify the effective date (although since this was introduced last year, dates back to 2025 rather than 2026). It still has vague language regarding “Contract of Insurance” without a sufficient definition. Are we talking health, property & casualty, both or other?

The language contained in HB 2351 doesn’t outright ban arbitration clauses like the first version, rather it makes it so both partis have to agree to arbitrate, which is an improvement from the bill.

In closing, we still have member concerns over the proposed legislation and oppose House Bill 2351. Thank you for the opportunity to testify and I’m happy to answer questions at the appropriate time.