Kansas Department of Insurance
Commissioner Vicki Schmidt

Proponent Testimony for SB 422

February 12, 2026

Chairwoman Dietrich and Members of the Committee,

Thank you for the opportunity to provide proponent testimony on Senate Bill 422.

Last year, the Legislature considered maximum response timeframes for inquiries from the Kansas Insurance Commissioner related to consumer complaints. SB 42 proposed a uniform response deadline of 14 calendar days for licensees. While the Legislature approved this standard on multiple occasions during the 2025 legislative session, the conference committee report for SB 42 only applied this standard to insurance companies. As a result, insurance companies are required to respond within 14 calendar days, while insurance agents and public adjusters have 15 business days. SB 422 corrects this inconsistency by establishing a uniform response timeframe of 14 calendar days for insurance companies, agents, and public adjusters.

SB 422 also eliminates the hearing right for nonresident agents when they fail to maintain a home state license. Because insurance agent licensing is largely reciprocal nationwide, nonresident agents must maintain an active resident license in their home state to be eligible for a nonresident license in Kansas. If a nonresident agent in Kansas fails to maintain that resident license in another state, the Kansas Department of Insurance is required to revoke the agent's Kansas nonresident license. Revocation is a resource-intensive process that involves a hearing right before the Department's hearing officer. The Department believes and case law shows that the hearing rights remain with the home state and once they resolve the issue with the home state they would again be eligible for a Kansas nonresident agent license. This would streamline an overburdensome process and help the Department focus our time and resources on Kansas resident agents.

Lastly, concerning insurance company licensing, there exists a conflict among sections (a)(3) and (a)(6) in K.S.A. 40-209. For out-of-state companies seeking to conduct business in Kansas, the current requirements present a conflict whereby every qualification cannot be met in certain situations, including mergers of insurers or newly formed subsidiaries of bona fide insurance companies. SB 422 cleans up this ambiguity and ensures that new companies satisfy all requirements in law.

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