Proposed Amendment to SB 422
For Senate Committee on Financial Institutions and Insurance
February 16, 2026

Session of 2026

SENATE BILL No. 422

By Committee on Financial Institutions and Insurance

1-29

AN ACT concerning insurance; relating to the regulation thereof; reorganizing certain provisions that apply to foreign insurance companies seeking authorization to do business in Kansas; authorizing the suspension or revocation of a nonresident agent's license without notice and opportunity for a hearing after 30 days following notification to the commissioner that such nonresident agent no longer holds a home state license; requiring agents and public adjusters to respond to inquiries from the commissioner of insurance within 14 calendar days; amending K.S.A. 40-209 and K.S.A. 2025 Supp. 40-4906, 40-4909 and 40-5510 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 40-209 is hereby amended to read as follows: 40-209. (a) Any insurance company organized under the laws of any other country, state or territory, upon application, may be authorized to transact business in this state, when possessed of the required amount of paid-up capital and surplus, or surplus only if a mutual company, and:

(1) Has made the deposit required by this code with the department of insurance of this or any other state in the United States;

(2) participates to the extent possible in the insurance regulatory information system administered by the national association of insurance commissioners;

(3) has submitted an examination report of its financial condition and affairs ~~which~~ *that* has been conducted by the insurance department of the state of domicile within five years of the date of application unless the commissioner determines that an earlier report will satisfy the purpose of this provision;

(4) demonstrates that any majority ownership interests are in sound financial condition;

(5) is not owned, managed or controlled by persons previously convicted of criminal activity involving fraud or embezzlement or offenses of a similar nature;

(6) has been in operation *for* at least three years and has been the subject of an examination of its affairs and financial condition other than its organizational examination. ~~This requirement does not apply to subsidiary or affiliate companies with substantially the same management~~

(e) Subject to the provisions of subsection (a), any person licensed as a limited line credit insurance or other type of limited lines agent in such person's home state shall receive a nonresident limited lines agent license in this state granting the same scope of authority as granted under the license issued by such insurance agent's home state.

(f) *Notwithstanding any other provision of the uniform insurance agents licensing act, a nonresident license issued pursuant to the act may be revoked without notice and a hearing 30 days after the commissioner receives notification that a nonresident licensee no longer holds a license in such nonresident licensee's home state.*

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the application fee required pursuant to subsection (a) for the next calendar year.

Sec. 3. K.S.A. 2025 Supp. 40-4909 is hereby amended to read as follows: 40-4909. (a) The commissioner may deny, suspend, revoke or refuse renewal of any license issued under this act if the commissioner finds that the applicant or license holder has:

(1) Provided incorrect, misleading, incomplete or untrue information in the license application~~.~~*;*

(2) violated *any*:

(A) ~~Any~~ Provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rules and regulations promulgated thereunder;

(B) ~~any~~ subpoena or order of the commissioner;

(C) ~~any~~ insurance law or regulation of another state; or

(D) ~~any~~ subpoena or order issued by the regulatory official for insurance in another state~~.~~*;*

(3) obtained or attempted to obtain a license under this act through misrepresentation or fraud~~.~~*;*

(4) improperly withheld, misappropriated or converted any moneys or properties received in the course of doing insurance business~~.~~*;*

(5) intentionally misrepresented the provisions, terms and conditions of an actual or proposed insurance contract or application for insurance~~.~~*;*

(6) been convicted of a misdemeanor or felony~~.~~*;*

(7) admitted to or been found to have committed any insurance unfair trade practice or fraud in violation of K.S.A. 40-2404, and amendments thereto~~.~~*;*

(8) used any fraudulent, coercive, or dishonest practice, or demonstrated any incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere~~.~~*;*

(9) had an insurance agent license, public adjuster license, securities registration, or their equivalent, denied, suspended or revoked in any state, district or territory~~.~~*;*

(1)

(2) Not later than 30 days following the date of revocation of such nonresident's license, the commissioner shall inform the nonresident of such revocation.

(3) Nothing in this subsection shall be deemed to confer the right of a hearing on any nonresident whose license has been revoked.

business entity represented by such person who is the party to the matters giving rise to the hearing. As used in this subsection, "costs" includes witness fees, mileage allowances, any costs associated with the reproduction of documents that become a part of the hearing record and the expense of making a record of the hearing.

(h) No person whose license as an agent or broker had been suspended or revoked shall be employed by any insurance company doing business in this state either directly, indirectly, as an independent contractor or otherwise to negotiate or effect contracts of insurance, suretyship or indemnity or perform any act toward the solicitation or transaction of any business of insurance during the period of such suspension or revocation.

(i) In lieu of taking any action under subsection (a), the commissioner may:

(1) Censure the person; or

(2) issue an order imposing an administrative penalty *of* up to a maximum of $500 for each violation but not to exceed $2,500 for the same violation occurring within any six consecutive calendar months from the date of the original violation unless such person knew or should have known that the violative act could give rise to disciplinary action under subsection (a). If such person knew or reasonably should have known the violative act could give rise to any disciplinary proceeding authorized by subsection (a), the commissioner may impose a penalty *of* up to a maximum of $1,000 for each violation but not to exceed $5,000 for the same violation occurring within any six consecutive calendar months from the date of the imposition of the original administrative penalty.

(j) (1) An applicant to whom a license has been denied after a hearing shall not apply again for a license until after the expiration of a period of one year from the date of the commissioner's order.

(2) A licensee whose license was revoked shall not apply again for a license until after the expiration of a period of two years from the date of the commissioner's order.

The commissioner may waive this requirement for a nonresident licensee whose license was revoked pursuant to K.S.A. 40-4906(f), and amendments thereto.

Sec. 4. K.S.A. 2025 Supp. 40-5510 is hereby amended to read as follows: 40-5510. (a) The commissioner may suspend, revoke or refuse to issue or renew a public adjuster's license for any of the following causes:

(1) Providing incorrect, misleading, incomplete or materially untrue information in the license application;

(2) violating *any*:

(A) ~~Any~~ Provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or any rule and regulation promulgated thereunder;

(B) ~~any~~ subpoena or order of the commissioner;

(C) ~~any~~ insurance law or regulation of another state; or