



TO: **The Honorable William Sutton**
and members of the House Committee on Insurance

FROM: **Joseph N. Molina**, On Behalf of the Kansas Bar Association

RE: **HB 2461** - Prohibiting public adjusters from negotiating for or effectuating the settlement of any insurance claim relating to residential lines of insurance.

DATE: **January 26, 2026**

Chairman Sutton and Members of the Committee:

Thank you for the opportunity to submit testimony in support of HB 2461, which clarifies and reinforces the scope of public adjuster activity under Kansas law by prohibiting public adjusters from negotiating or effectuating settlements of residential and personal lines insurance claims.

The Kansas Bar Association supports HB 2461 because it maintains the longstanding framework of Kansas insurance law, strengthens consumer protections, and promotes stability and clarity in the claims process.

Maintaining the Status Quo

HB 2461 largely preserves the status quo in Kansas by reaffirming the traditional and well-understood roles of parties involved in insurance claims. Historically, residential and personal lines claims in Kansas have been negotiated by insurers, insureds themselves, or attorneys acting in a regulated professional capacity. Public adjusters have operated primarily in the commercial insurance space, where claims are often more complex and sophisticated.

By clarifying that public adjusters are limited to commercial lines claims, HB 2461 avoids expanding adjuster authority into areas that have long been governed by existing consumer protection laws, insurance regulations, and professional standards applicable to attorneys.

Consumer Protection

Residential and personal lines insurance claims frequently involve individual homeowners and families, often navigating the claims process during times of significant personal hardship. HB 2461 helps protect these consumers by ensuring that claim negotiation remains within a framework that provides clear regulatory oversight, ethical obligations, and accountability.

Attorneys representing insureds are subject to strict ethical rules, fiduciary duties, and disciplinary oversight. Preserving this structure helps protect consumers from potential confusion regarding representation, fee arrangements, and authority to bind insureds in settlement agreements.

HB 2461 also reduces the risk of inconsistent or misleading representations during the claims process and helps ensure that consumers clearly understand who is authorized to negotiate on their behalf.

Stability and Clarity in the Law

Clear statutory boundaries promote predictability and consistency for consumers, insurers, regulators, and the courts. HB 2461 provides clarity by aligning statutory definitions with existing practice and expectations, reducing uncertainty and the potential for disputes over authority and enforcement.

Stability in insurance law benefits Kansas consumers by encouraging fair, efficient claim resolution and reducing unnecessary litigation. This bill provides that stability without disrupting established claims handling practices.

Technical Drafting Clarification

Finally, there could be a potential drafting issue in HB 2461 that may warrant a technical amendment should the bill advance.

As currently drafted, the prohibition in New Section 1 and the amended definition in Section 3 both use the phrase “residential **and** personal lines of insurance.” This conjunctive phrasing could be interpreted to mean the prohibition applies only when a claim involves both residential and personal lines simultaneously, which may not reflect the bill’s intended scope.

If the intent is to prohibit public adjusters from negotiating or settling claims arising under residential lines, personal lines, or both, the statute should use the disjunctive “or” rather than “and.”

Current language on Page 1; Line 10 and again on Page 3; Line 2:

“...any insurance claim arising under residential and personal lines of insurance.”

Suggested revision:

“...any insurance claim arising under residential or personal lines of insurance.”

This is a minor but important clarification that would help ensure the prohibition operates as intended and avoid potential ambiguity or litigation regarding the statute’s scope.

Conclusion

HB 2461 represents a measured and prudent clarification of Kansas law. It protects consumers, preserves longstanding legal and regulatory structures, and promotes clarity and stability in the insurance marketplace.

For these reasons, the Kansas Bar Association respectfully urges the Committee to support HB 2461.

On behalf of the Kansas Bar Association, we thank you for your time.

About the Kansas Bar Association:

The Kansas Bar Association (KBA) was founded in 1882 as a voluntary association for dedicated legal professionals. Its more than 5,500 members include lawyers, judges, law students, and paralegals. www.ksbar.org