

KAPCIC

Kansas Association of Property & Casualty Insurance Companies Inc.

January 26, 2026

HB 2461

House Insurance Committee

Marlee Carpenter, Kansas Association of Property and Casualty Insurance Companies (KAPCIC)

Mr Chair and Members of the Committee:

Thank you for the opportunity to provide testimony on behalf of the Kansas Association of Property and Casualty Insurance Companies (KAPCIC), our state trade association for domestic property and casualty insurance companies. Most of the KAPCIC member companies are domiciled Kansas companies and our members live and work here in the state.

KAPCIC members requested HB 2461 in response to an Attorney General's Opinion that was issued this fall. The opinion reversed long standing Kansas law that only allowed public adjusters to practice in commercial lines of insurance, not residential and personal lines. The request for the opinion came from the Kansas Department of Insurance. HB 2461 again reinstates the prohibition for public adjusters from practicing in residential and personal lines of insurance.

We believe that before the Attorney General's Opinion the law was well settled law in the state and that there should not be any statutory confusion.

- Legislation has been proposed to allow for the expansion of public adjusters to personal and residential lines twice over the past 16 years. If current law allowed this practice, legislative change would not be needed.
 - In 2013, SB 138 was proposed to expand the use of public adjusters beyond commercial lines.
 - The 2009 Legislature considered a bill to expand the use of public adjusters to residential lines.
 - The Legislature has rejected statutory change in both instances.
 - The Kansas Department of Insurance opposed the bills in both 2009 and 2013, stating that Kansas law did not allow this practice.
- K.S.A. 40-5502 makes specific reference of licensing public adjusters for commercial lines insurance contracts only. Because of this specific reference

and limitation, we believe that all public adjusters in Kansas are limited to commercial lines only.

In 2009 and 2013 KAPCIC stands opposed bills that would allow public adjustors to practice beyond commercial lines because:

- Kansas has a strong regulatory system with a consumer focused Commissioner. Our regulators have done an excellent job protecting Kansans from unscrupulous insurers.
- The Unfair Claims Settlement Practices Act is in force and plays a strong role in ensuring policy holders receive a fair settlement from their insurer.
- Public adjusters typically charge a percentage of the claim settlement amount. This takes money out of the pockets of Kansans that need to repair their damaged property.
- Personal lines insurance is relatively simple compared to commercial lines where public adjusters are allowed to work and an intermediary is unnecessary.
- Insurers are in the business to make their customers satisfied, not to upset them with unfair claim offers. Underpaying claims is counter-productive to insurers.
- Kansas is a highly competitive personal insurance market that rewards fair dealing insurance companies with higher retention of clients.
- Public adjusters can reduce the overall claim payment the insured receives due to the fees of the adjuster. This is not necessary in Kansas.

We encourage your support of HB 2461 and encourage action upon the legislation.