

January 22, 2026

Regarding HB 2461

House Insurance Committee

Brian Schmidt, Vice President – Claims, Farmers Alliance Mutual Insurance Company

Mr. Chair and Members of the Committee:

Thank you for the opportunity to provide testimony regarding HB 2461.

I understand that HB 2461 was requested in response to an Attorney General's Opinion that was issued last 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. HB 2461 reinstates the prohibition for public adjusters from practicing in residential and personal lines of insurance. This is in the best interest of Kansas insurance customers.

As a property-casualty insurance company domiciled in Kansas, Farmers Alliance is deeply concerned about the impact of this situation on Kansas consumers. Our experience in other states has shown diminished satisfaction for claimants when public adjusters are involved in personal lines claims – both in increased costs (reduced benefits paid to customers due to fees charged by adjusters), and in delayed settlements.

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, and was rejected. The reasons supporting that rejection remain valid, including:

- Kansas' strong regulatory system with a consumer-focused Commissioner
- Enforcement of the Unfair Claims Settlement Practices Act, ensuring policy holders receive a fair settlement from their insurer
- The highly competitive personal insurance market in Kansas, rewarding fair-dealing insurance companies with higher retention of clients

In summary, expanding the role of public adjusters into residential and personal lines of insurance will not benefit Kansas consumers. We encourage your support of HB 2461 and encourage action upon the legislation.