

# **Opposition to HB 2461**

## **Protecting Kansas Homeowners' Right to Professional Representation**

House Bill 2461 proposes to prohibit public adjusters from negotiating or assisting with residential insurance claims in Kansas. This legislation would eliminate consumer choice and remove an affordable form of professional representation for Kansas homeowners at the moment they are most vulnerable. Public adjusting for commercial policyholders is allowed.

## **Threshold Questions for the Legislature**

- Why are insurance companies, not Kansas property owners, proposing HB 2461?
  - Independent professional representation increases accountability.
  - Limiting consumer access to representation allows underpayment of residential claims with less resistance.
  - This legislation would limit policyholders' access to professional representation.
  - Consider who benefits most from this bill, Kansas consumers or insurance carriers.

## **Consequences of Eliminating Residential Public Adjusters**

- Eliminates a critical consumer protection option for Kansas homeowners
- Restricts tools available to Kansas policyholders at the moment of a catastrophic loss
- After a loss, policyholders must comply with strict duties, timelines, and documentation requirements.
- Does not provide any equivalent or affordable alternative for representation
- Forces homeowners to self-represent or hire costly legal counsel
- Benefits insurance carriers by limiting policyholder leverage and choice
- Increases the likelihood of underpaid claims, prolonged disputes, and litigation

## **Access to Representation and Consumer Choice**

- Kansas homeowners should retain the right to choose professional assistance, rather than have that choice legislated away
- Residential insurance claims are complex, technical, and adversarial despite being marketed as "simple"
- Homeowners are expected to interpret policies, scopes, depreciation, exclusions, and endorsements without training
- HB 2461 eliminates the only affordable non-legal professional assistance option available to many homeowners

## **Public Adjusters Versus Attorneys**

- Attorneys are not a practical substitute for most homeowners handling insurance claims
- Legal representation commonly requires retainers ranging from \$5k - \$25k
- Litigation frequently takes years and significantly reduces net recovery
- Public adjusters work on contingency and are paid only if the claim is paid
- Public adjusters routinely resolve claims faster and without court involvement
- HB 2461 forces homeowners into a binary choice: go alone against billion-dollar insurers or hire an attorney they often can't afford.

## **Impact on Middle Class and Vulnerable Kansans**

- Disproportionately harms seniors, working families, fixed-income households, and rural property owners
- Wealthy policyholders will continue to hire attorneys and consultants
- Average Kansans will lose access to meaningful claim representation

## **Claim Handling Reality**

- Insurance companies:
  - Control adjuster assignments
  - Control estimating software
  - Control interpretation of scope and depreciation
- HB 2461 expects homeowners to “self-advocate” without time, training, or expertise.
- Public adjusters level the playing field by:
  - Protecting Kansas policyholders
  - Identifying missing scope
  - Challenging undervaluation
  - Coordinating documentation
  - Preventing avoidable disputes

## **Kansas Legal Context**

Public adjusting for commercial policyholders is allowed. Kansas law historically addressed commercial public adjusting by requiring a license. The Kansas Attorney General recently confirmed that residential public adjusting is not prohibited under current statute.

- HB 2461 would eliminate Kansas residential policyholders from having the same professional representation that Kansas commercial policyholders already have.
- HB 2461 represents a policy reversal rather than a clarification and is unsupported by evidence of systemic consumer harm.

## **Consumer Protection Concerns with HB 2461**

- HB 2461 eliminates a regulated profession instead of improving oversight
- Reduces transparency and accountability in claims handling
- Concentrates power further in the hands of the insurance carriers
- Increases the likelihood of underpaid, unfair claims handling, and prolonged disputes

## **Market and Court System Consequences**

- Eliminating residential public adjusting will lead to increased litigation
- Increased lawsuits will burden Kansas courts and judicial resources
- Higher legal costs ultimately result in higher insurance premiums for Kansas residents

## **Reasonable Alternatives to HB 2461**

- Instead of banning residential public adjusting:
  - Establish clear disclosure requirements
  - Require fee transparency or establish reasonable fee caps
  - Strengthen enforcement against bad actors instead of imposing a blanket prohibition
  - Adopt consumer education standards and written acknowledgments of rights

## **Conclusion**

HB 2461 does not protect Kansas homeowners; it eliminates consumer choice by eliminating access to representation. This shifts power away from Kansas homeowners and toward insurance carriers. Kansas homeowners deserve the same rights that Kansas businesses already enjoy, which is access to professional public adjuster assistance in complex insurance matters. The Legislature should protect Kansas homeowner access to representation by rejecting HB 2461.