

SENATE BILL No. 22

By Committee on Financial Institutions and Insurance

1-16

1 AN ACT concerning insurance; relating to title insurance; requiring title
2 agents to make their audit reports available for inspection upon request
3 of the commissioner of insurance instead of submitting such reports
4 annually; requiring the amount of surety bonds filed with the
5 commissioner to be \$100,000; eliminating the controlled business
6 exemption in certain counties; amending K.S.A. 40-1139 and K.S.A.
7 2024 Supp. 40-1137 and 40-2404 and repealing the existing sections.
8

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

10 Section 1. K.S.A. 2024 Supp. 40-1137 is hereby amended to read as
11 follows: 40-1137. A title insurance agent may operate as an escrow,
12 settlement or closing agent, provided that:

13 (a) All funds deposited with the title insurance agent in connection
14 with an escrow, settlement or closing shall be submitted for collection to,
15 invested in or deposited in a separate fiduciary trust account or accounts in
16 a qualified financial institution no later than the close of the next business
17 day, in accordance with the following requirements:

18 (1) The funds shall be the property of the person or persons entitled to
19 them under the provisions of the escrow, settlement or closing agreement
20 and shall be segregated for each depository by escrow, settlement or
21 closing in the records of the title insurance agent in a manner that permits
22 the funds to be identified on an individual basis;

23 (2) the funds shall be applied only in accordance with the terms of the
24 individual instructions or agreements under which the funds were
25 accepted; and

26 (3) an agent shall not retain any interest on any money held in an
27 interest-bearing account without the written consent of all parties to the
28 transaction.

29 (b) Funds held in an escrow account shall be disbursed only:

30 (1) Pursuant to written authorization of buyer and seller;

31 (2) pursuant to a court order; or

32 (3) when a transaction is closed according to the agreement of the
33 parties.

34 (c) A title insurance agent shall not commingle the agent's personal
35 funds or other moneys with escrow funds. In addition, the agent shall not
36 use escrow funds to pay or to indemnify against the debts of the agent or

Proposed Amendment to SB 22

For Senate Committee on Financial Institutions and Insurance

Prepared by Eileen Ma

Office of Revisor of Statutes

February 12, 2025

1 core title services as required by the real estate settlement procedures act.

2 (j) The commissioner shall adopt any rules and regulations necessary
3 to carry out the provisions of this act.

4 (15) *Disclosure of nonpublic personal information.* (a) No person
5 shall disclose any nonpublic personal information contrary to the
6 provisions of title V of the Gramm-Leach-Bliley act of 1999 (public law
7 106-102). The commissioner may adopt rules and regulations necessary to
8 carry out this subsection. Such rules and regulations shall be consistent
9 with and not more restrictive than the model regulation adopted on
10 September 26, 2000, by the national association of insurance
11 commissioners entitled "Privacy of consumer financial and health
12 information regulation".

13 (b) Nothing in this subsection shall be deemed or construed to
14 authorize the promulgation or adoption of any regulation that preempts,
15 supersedes or is inconsistent with any provision of Kansas law concerning
16 requirements for notification of, or obtaining consent from, a parent,
17 guardian or other legal custodian of a minor relating to any matter
18 pertaining to the health and medical treatment for such minor.

19 Sec. 4. K.S.A. 40-1139 and K.S.A. 2024 Supp. 40-1137 and 40-2404
20 are hereby repealed.

21 Sec. 5. This act shall take effect and be in force from and after its
22 publication in the statute book.

January 1, 2026, and