

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2049

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2049, as amended, would amend the Uniform Insurance Agents Licensing Act and the Public Adjusters Licensing Act to provide the Commissioner of Insurance (Commissioner) with the authority to consult the status of certain licenses or registrations in reviewing applications or renewals for insurance agents and public adjusters. [Note: The changes would make the statute consistent with insurance agent licensing statutes.]

The Commissioner would also have the authority to suspend, revoke, or refuse to issue or renew a public adjuster's license for failing to respond to an inquiry from the Commissioner within 15 business days.

Additionally, the bill would establish criteria for the Commissioner to review when considering whether to deny, suspend, revoke, or refuse to renew the application for a public adjuster's license of an individual who has been convicted of a misdemeanor or felony.

The bill would be in effect upon publication in the *Kansas Register*.

Review of Licenses and Registrations

The bill would authorize the Commissioner to review the status of public adjuster licenses and securities registrations

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

when reviewing insurance agent licenses or applications for insurance agent licenses. Similarly, the bill would authorize the Commissioner to review the status of public adjuster licenses and securities registrations when reviewing public adjuster licenses or applications for public adjuster licenses.

The Commissioner would also have the authority to suspend, revoke, or refuse to issue or renew a public adjuster's license for failing to respond to an inquiry from the Commissioner within 15 business days.

***Criteria for Review for Public Adjuster License
Applicants Convicted of a Misdemeanor or Felony***

The bill would establish criteria for the Commissioner to review when considering whether to deny, suspend, revoke, or refuse to renew the application for public adjuster license of an individual who has been convicted of a misdemeanor or felony:

- Applicant's age at the time of conduct;
- Recency of the conduct;
- Reliability of the information concerning the conduct;
- Seriousness of the conduct;
- Factors underlying the conduct;
- Cumulative effect of the conduct or the information;
- Evidence of rehabilitation;
- Applicant's social contributions since the conduct;
- Applicant's candor in the application process; and
- Materiality of any omissions or misrepresentations.

The bill would require the Commissioner to consider the following when determining whether to reinstate or grant to an applicant a public adjuster's license that has been revoked:

- Present moral fitness of the applicant;

- Demonstrated consciousness by the applicant of the wrongful conduct and disrepute that the conduct has brought to the insurance profession;
- Extent of the applicant's rehabilitation;
- Seriousness of the original conduct;
- Applicant's conduct subsequent to discipline;
- Amount of time that has elapsed since the original discipline;
- Applicant's character, maturity, and experience at the time of revocation; and
- Applicant's present competence and skills in the insurance industry.

[*Note:* These criteria are the same as current law for the Commissioner's review of insurance agent licensure or application for licensure (KSA 40-4909).]

The bill would state that any action taken as a result of such review that affects any license or imposes any administrative penalty would be taken only after notice and an opportunity for a hearing conducted in accordance with the Kansas Administrative Procedure Act.

The bill would specify any costs incurred as a result of conducting an administrative hearing would be assessed against the person who is the subject of the hearing or any business entity represented by such person who is the party to the matters giving rise to the hearing. "Costs" would mean witness fees, mileage allowances, any costs associated with the reproduction of documents that become a part of the hearing record, and the expense of making a record of the hearing.

Suspensions, Revocations, and Reapplication for Public Adjuster Licensure

Under the bill, no person whose license as a public adjuster had been suspended or revoked could be employed by any insurance company doing business in the state either directly, indirectly, as an independent contractor, or otherwise to negotiate or effect contracts of insurance, suretyship, or indemnity or perform any act toward the solicitation or transaction of any business of insurance during the period of suspension or revocation.

An applicant to whom a public adjuster's license is denied after a hearing would be prohibited from applying again for a public adjuster license until after a period of one year from the date of the Commissioner's order. The bill would prohibit a public adjuster licensee whose license from applying again for a public adjuster license for two years after the Commissioner's order.

[*Note:* These terms are the same as in current law for insurance agent licensure (KSA 40-4909).]

Background

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Insurance Department (Department). [*Note:* A companion bill, SB 28, has passed the Senate.]

House Committee on Insurance

In the House Committee hearing on the bill, **proponent** testimony was provided by a representative of the Department. The proponent indicated the bill would bring parity to Kansas statutes and would provide the Commissioner of Insurance additional discretion when reviewing both insurance agent and public adjuster licenses.

He also indicated the bill would allow the status of an insurance agent's license or securities registration to be considered when reviewing a public adjuster's license and allow the status of a public adjuster's license or securities registration to be considered when reviewing an insurance agent's license.

Written-only proponent testimony was provided by a representative of the National Insurance Crime Bureau.

No other testimony was provided.

The House Committee amended the bill to reduce the time limit for a response to an inquiry to the Department from within 15 business days to within 14 calendar days.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Department, who stated the bill would bring parity to the insurance agent enforcement statute and the public adjusters licensure statute.

Written-only proponent testimony was provided by the National Insurance Crime Bureau.

No other testimony was provided.

The Senate Committee amended the bill to increase the time period of response for an inquiry to the Department to 15 business days and to change the effective date to be upon publication in the *Kansas Register*.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department indicates the enactment of the bill would increase agency operating expenditures by an unknown amount; however, any increase would be absorbed within existing resources.

Licensing requirements; insurance agents; public adjusters