

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2087

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2087, as amended, would amend law related to nonadmitted insurers authorized to do business in Kansas. The bill would also make technical amendments.

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

Eligible Nonadmitted Insurers

Current law requires the Commissioner of Insurance (Commissioner) to maintain a list of insurers not authorized to do business in the state. The bill would replace the phrase “insurer not authorized to do business in this state” with “eligible nonadmitted insurer” throughout the bill and require the Commissioner to maintain a list of such eligible nonadmitted insurers.

The bill would state that a nonadmitted insurer not included on the Commissioner’s eligible nonadmitted insurer list could transact business in the state if the insurer meets the eligibility requirements outlined in federal law regarding uniform standards for surplus lines eligibility.

The bill would also remove the nonadmitted insurer’s non-refundable annual statement filing fee of \$200.

*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/>

Capital Requirement

The bill would increase the capital or surplus requirement for inclusion on the Commissioner's eligible nonadmitted insurer list from \$4.5 million to an amount equal to or greater than \$15.0 million.

Motor Vehicle Dealer Licensure Insurance Requirements

The bill would allow motor vehicle dealers to hold insurance issued by an eligible nonadmitted insurer, and such insurance would allow the dealer to meet the criteria for license issuance or renewal.

Background

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Association of Insurance Agents (KAIA).

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of the American Property Casualty Insurance Association, KAIA, and Wholesale & Specialty Insurance Association. The proponent indicated the bill would modernize the eligibility criteria for nonadmitted insurers writing business in Kansas. He also stated the bill would standardize legal references to nonadmitted insurers and would make the eligibility criteria for nonadmitted insurers in Kansas compatible with the federal Nonadmitted and Reinsurance Reform Act.

Written-only proponent testimony was provided by a representative of the Chris-Leef General Agency, Inc.

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the American Property Casualty Insurance Association, KAIA, and Wholesale & Specialty Insurance Association. The proponent stated “eligible nonadmitted” is the language used by the National Association of Insurance Commissioners, and the bill would modernize statute regarding nonadmitted insurers who have the flexibility to cover hard-to-place risks.

Written-only proponent testimony was provided by a representative of Chris-Leef General Agency, Inc.

No other testimony was provided.

The Senate Committee amended the bill to be effective 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 Kansas Insurance Department states because the bill would eliminate the \$200 filing fee, its revenues into the Insurance Department Service Regulation Fund would decrease annually by \$45,000 starting in FY 2026. Any fiscal effect associated with the bill is not reflected in *The FY 2026 Governor’s Budget Report*.

Insurance; nonadmitted insurers; Commissioner of Insurance; eligibility; vehicle dealer insurance; excess coverage