

**AGENCY PROGRAM DESCRIPTIONS**

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**Insurance Regulation: Insurance Regulation**

**Subprogram History**

The Kansas Insurance Department was established by the Kansas Legislature in 1871. Chapter 40 of the Kansas Statutes Annotated bestow many complex duties and responsibilities upon the Commissioner of Insurance by granting the Commissioner sole supervision, control and regulation of the various individuals and entities authorized to transact the business of insurance in this state, including supervision over many of their business transactions. Insurance is not regulated at the federal level, so the Department has exclusive jurisdiction over the \$22.2 billion business of insurance in Kansas.

**Consequences of Not Funding This Subprogram**

Without company examination the chances of insurance company insolvencies would increase. Without monitoring rates and forms, insurance may not be affordable or accessible. Without licensure of individuals, corporations and associations, insurance policies could be written by unqualified or suspect individuals. Without regulation of the firefighter relief associations FRA funds may be misappropriated. Without regulation of the workers compensation program eligible workers compensation claims would not be paid.

**Statutory Basis**

General: KSA 40-101 et seq, 40-1701 et seq, 73-1209. | Specific: KSA 44-581 through 592, 12-2617, 44-501 through 580.

Mandatory/Discretionary	MOE/Match Requirement	Program Priority	Subprogram Priority
Mandatory	No	1	1

**Securities Regulation: Securities Regulation**

**Subprogram History**

Kansas was the first state to regulate the sale of securities for protection of its investor citizens and capital markets when the Kansas Securities Act was passed in 1911. According to J. N. Dolley (the Kansas Bank Commissioner at that time), it was intended to prevent the sale of securities by promoters who promised rain but delivered only "blue sky". During the next few years, several other states passed similar laws, and now all states have securities laws that are referred to as "Blue Sky" laws. The Kansas and other states' securities laws were enacted many years before the first federal Securities Act of 1933. The Kansas Securities Act was supplemented and refined many times since 1911 until enactment of the Kansas Uniform Securities Act (KUSA) in 2004 which became effective on July 1, 2005. The Securities Commissioner and staff also administer and enforce the Kansas Loan Broker's Act to regulate the services of loan brokers in Kansas who are not otherwise regulated or exempt.

**Consequences of Not Funding This Subprogram**

Without funding to regulate capital formation and investment activity for the benefit of Kansas investors and businesses, extensive securities fraud and illegal or unethical conduct with significant financial damages would likely occur. Investor abuse and investment losses due to ignorance of best practice knowledge on investing and awareness of fraudulent schemes would likely increase and have significant financial impacts. Also, lack of funding could hamper support of prosecutions by the Attorney General and County and District Attorneys.

**Statutory Basis**

General: KSA 17-12a101 et seq.

Mandatory/Discretionary	MOE/Match Requirement	Program Priority	Subprogram Priority
Mandatory	No	1	1

**Subprograms Without Narrative Data**

**AGENCY PERFORMANCE MEASURES**

			<b>2022 Actuals</b>	<b>2023 Actuals</b>	<b>2024 Actuals</b>	<b>2025 Actuals</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>
<b>Insurance Regulation: Insurance Regulation</b>								
<b>Goal</b>	<b>Type</b>	<b>Measure</b>						
Protect the insurance consumers of Kansas through supervision, control and regulation of persons and organizations transacting the business of insurance in the state.	Outcome	Amount of money recovered for Kansas consumers	\$7,181,996.00	\$8,244,034.00	\$17,449,005.00	\$25,608,119.00	\$13,209,230.00	\$14,322,866.00
		Average cost per company examination	\$130,403.00	\$132,245.00	\$131,009.00	\$78,133.00	\$80,000.00	\$80,000.00
		Number of insurance fraud investigations submitted to AG for criminal disposition	21	23	20	20	25	25
	Output	Number of active licensed producers, adjusters and agencies each year	197,578	207,344	208,496	223,499	225,000	227,000
		Number of company license applications approved each year	17	25	26	26	26	26
		Number of consumer complaint and inquiry files closed each year	3,157	3,745	4,346	4,933	5,323	5,524
		Number of financial exams performed each year	18	12	13	15	12	12
To administer the Firefighter Relief Act.	Output	Number of FRAs receiving a distribution each year	556	554	553	554	554	554
To administer the portion of the Workers Compensation Act for claims involving employers who are uninsured and unable to pay claims.	Output	Number of open work comp cases each year	1,660	1,649	1,678	1,658	1,648	1,628
<b>Securities Regulation: Securities Regulation</b>								
<b>Goal</b>	<b>Type</b>	<b>Measure</b>						
		Number of Events (virtual or in person) provided each year		11	14	32	32	32

			<b>2022 Actuals</b>	<b>2023 Actuals</b>	<b>2024 Actuals</b>	<b>2025 Actuals</b>	<b>2026 Estimate</b>	<b>2027 Estimate</b>
To administer and enforce the registration and examination provisions of the Kansas Uniform Securities Act.	Outcome	Court ordered restitution	\$1,301,400.00	\$645,000.00	\$97,190.00	\$208,900.00	3.00E+05	3.00E+05
	Output	BD Agent/IA Rep/Agent of issuer registrations and renewals each year	163,153	163,648	167,158	166,785	166,500	166,000
		BD registrations and renewal filings each year	1,457	1,455	1,414	1,386	1,350	1,300
		IA registrations/IA notice filings and renewals each year	1,552	1,569	1,605	1,579	1,500	1,500
		Issuer registrations and renewals each year	77	83	108	113	110	110
		No. of complaints investigated each year	58	92	133	62	80	80
		No. of compliance examinations performed each year	27	25	35	36	40	40
		No. of enforcement investigations initiated each year	20	20	17	26	20	20

**Footnotes**