

Neutral Testimony for SB 491 - Insurance Statutory Cleanup

February 19, 2024

Chairwoman Warren and Members of the Committee,

Thank you for the opportunity to testify in support of Senate Bill 491.

Navigating the complex maze of fingerprinting and background checks authorizing statutes is a challenge. Senate Bill 491 provides a uniform set of authorizing statutes that state agencies will refer to for their particular authority. The Kansas Insurance Department supports this streamlining effort.

However, there are three items that need to be addressed. First, so as to not reduce the existing authority of the Commissioner of Insurance to have access to adult non-conviction information for insurance agent and public adjuster applicants, New Sec. 2 (b)(8)(M) and (N) should be promoted to New Sec. 2 (b)(7). Under current law, the Commissioner has access to the "record of criminal arrests and convictions", but under the bill as introduced, that access would be reduced to just "adult convictions." In conversations with the KBI, we believe that moving (M) and (N) to (b)(7) would appropriately protect existing authority.

Second, also under New Section 2 (b)(8), item (X) pertaining to nongubernatorial appointees is duplicative of New Section 2 (b)(7)(K). The appropriate authority should be in (b)(7)(K), so striking (X) is recommended.

Finally, under existing law, the costs of fingerprinting applicants for insurance agent and public adjuster licensure, "whenever the commissioner requires fingerprinting or a background check, or both, any associated costs shall be paid by the applicant." The bill proposes to strike this language in K.S.A. 40–4905¹ and K.S.A. 40–5505.² The Department has concerns about removing this clear directive to have applicants pay the costs of fingerprinting and background checks. By striking this language, the committee would be introducing ambiguity into the existing statutes.

Accordingly, these provisions should be restored to existing statutes.

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¹ Sec. 28, p. 69, lines 14-16

² Sec. 31, p. 72, lines 17-19