



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

Proponent Testimony SB 402 – Producer Licensing and Company Appointments

March 16, 2020

Chairman Vickrey and Members of the Committee,

Thank you for the opportunity to submit testimony in support of SB 402, which passed the Senate 32-6. Under current law, companies appointing agencies in Kansas must appoint every agent of the agency instead of only the agents conducting the business. Kansas is the only state that does appointments this way. Under SB 402, this process would be changed to give companies the flexibility on the number of agents they appoint. This process change is estimated to cost the department approximately \$4 million.

SB 402 will streamline the agent renewal process by moving to one singular license renewal date with continuing education hours totaling 24 hours, 3 of which must be ethics. For any agent dually licensed there is no change to the total number of CE hours. For any Kansas agent conducting business in nearly any other state, this will allow the agent to utilize the same licensing system they already use in those other states. This licensing platform will also allow the department to streamline a number of our own internal processes.

SB 402 includes the addition of a bi-annual renewal for resident agents and agencies of \$4. While this does not cover all the costs associated with processing renewals, the primary purpose of this process is to ensure the department has as up-to-date records as possible.

The goal of SB 402 is to streamline the processes for agents, companies and the department by utilizing the same tools much of the industry is utilizing. SB 402 will make it easier to do business in Kansas.

Thank you for the opportunity to submit testimony in support of SB 402 and I will be happy to take questions at the appropriate time.

Lee Modesitt
Director of Government Affairs & Communications