



DATE: January 15, 2021

TO: The Honorable Steven Johnson
Members of the Insurance & Pensions Committee

FROM: Elizabeth Smoller, Attorney
Kansas Association of Insurance Agents

RE: KAIA is in support of HB 2074

Thank you for the opportunity to speak on HB 2074.

The Kansas Association of Insurance Agents (KAIA) is a statewide association of independent insurance agents. It has approximately 320 member insurance agencies with more than 2,200 licensed independent insurance agents throughout the state of Kansas. The KAIA works closely with the Kansas Insurance Department (KID) on many issues, including agent licensing.

KAIA supports HB2074 after working with KID over the course of many months on agent licensing issues in an effort to craft a balanced solution for all industry stakeholders including agents, carriers, and KID. After several meetings with the representatives of the KID, including the Commissioner, the KAIA legislative team, and the Association's Governmental Affairs Committee, all of our major concerns were addressed. We thank KID for their willingness to work with us on the finalized HB 2074 bill as it is presented to the committee today. We give our full support to this bill and we appreciate the their efforts to minimize the financial burdens on agents while also bringing some efficiencies that will benefit many agencies.

We believe the portion of the bill that will have the most significant impact on insurance agents pertains to the amount of continuing education (CE) hours an agent must take in order to maintain an agent license. The bill changes the number of CE hours to maintain an agent's license from the current 12 hours to 18 hours biennially, which is still less than the NAIC's national standard of 24 hours. The bill also creates a single, consistent CE requirement of 18 hours for lines of authority for agents licensed in both property and casualty (P&C) and Life and Health (L&H), which will actually decrease the number of CE hours dually licensed agents are required to complete from 24 to 18 hours biennially. Agents maintaining a single lines license, however, will be required to take an additional 6 hours of CE biennially. Dually licensed agents represent more than 50% of all licensed agents in Kansas, so the overall effect of the change is a decreased CE requirement for the majority of licensed agents.



In addition to the change in CE hours, the other proposed changes will allow agents to utilize the National Insurance Producer Registry (NIPR) to renew their Kansas licenses. Kansas agents can currently only use NIPR to renew their out-of-state licenses, but must renew their Kansas licenses through the Kansas Insurance Department. Streamlining this procedure will benefit both the KID and agents. This is extremely beneficial for medium to large-sized agencies as licensure in multiple states is often required and compliance with multi-state licensing requirements is cumbersome in those states that cannot utilize NIPR.

Another part of this bill adds a renewal process for both insurance agencies and insurance agents. This would be a new requirement and a good use of resources. It will allow KID to more easily track, and make available to consumers, those agencies and agents that are active.

Lastly, this bill eliminates automatic company appointments of all licensed staff when an agency is appointed to represent a company. If adopted, only individual agents and not agencies will be appointed by companies. This change will remove burdensome reporting requirements for agencies when staff changes occur.

Again, we appreciate the efforts that the KID is making to improve processes and gain additional efficiencies. KAIA is firmly supportive of HB2074 and we support the committee's passing this bill out favorably.