



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

Proponent Testimony for SB 18 – Technical Cleanup; General Enforcement Statute of the Kansas Insurance Department

March 6, 2023

Chairman Sutton and Members of the Committee,

Thank you for the opportunity to testify in support of Senate Bill 18.

Senate Bill 18 amends K.S.A. 40-2,125, which concerns certain penalties for violations of insurance law. Specifically, this statute outlines the monetary penalties, license suspensions and revocations, and other penalties for legal entities that violate Kansas insurance statutes.

Subsection (d)(1) defines the term “person.” The definition includes several entities that are currently under the jurisdiction of the Kansas Insurance Commissioner, including corporations, health maintenance organizations, insurance companies, etc. Insurance agents and brokers are purposefully excluded from this definition because there are other statutes that address them.

Over time, the Legislature has conferred upon the Kansas Insurance Department jurisdiction over other entities that are not explicitly listed in this definition, including but not limited to: continuing care providers, utilization review organizations, pharmacy benefit managers, etc. Meanwhile, these specific entity types have not been added to this list. Adding the language “*and any other legal entity under the jurisdiction of the commissioner*” cleans up this statute and eliminates the need to update this statute each time a new entity comes under the jurisdiction of the Department.

This does not add any new substantive requirements to any entities already under the jurisdiction of the Department. This simply allows the Department to utilize the “general enforcement” statute in the event there is a violation of Chapter 40, applicable regulations or failure to respond to an inquiry of or file a report required by the Department.

Senate Bill 18 passed the Senate Committee of the Whole with a vote of 38-0.

Thank you for the opportunity to submit testimony in support of Senate Bill 18.

Eric Turek
Director of Government and Public Affairs