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*Vicki Schmidt, Commissioner*

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**Kansas Insurance Department overview  
for Senate Financial Institutions and Insurance Committee**

**January 10, 2023**

Chairman Longbine and Members of the Committee:

Thank you for the opportunity to appear before you today and update you on the Kansas Insurance Department. As a former legislator, I know the sacrifices you make to serve your community and I thank you for your service.

The mission of the Kansas Insurance Department is to regulate, educate, and advocate, and my goal as Commissioner has been to efficiently carry out that mission while effectively serving Kansans. I'm proud to report the Department has never been more committed to serving the insurance industry and the people of Kansas.

The Legislature played a big role in helping right-size our operations. In 2021, SB 37 overhauled the producer licensing process, transferring our operations to the National Insurance Producer Registry (NIPR). At the time, the Department estimated the bill would reduce revenue to the Department by \$5.2 million, saving the industry money and lowering the cost of doing business in Kansas. To date, that figure is at \$4.5 million and we are on track to meet and possibly exceed our original estimate by the end of the fiscal year. SB 37 was just the beginning of improvements to our licensing system. We have implemented livescan fingerprinting for applicants at over 20 locations in Kansas, lowered the fingerprint fee, and are proposing a bill this session to further lower the financial burden to become an insurance agent.

Last session, the Legislature assisted in ending the statutory sweep of the Securities Act Fee Fund, which has allowed the Department to continue the moratorium on securities fees. The fee moratorium for FY 2022 and FY 2023 created a savings for the securities industry of approximately \$32 million. When fees resume in FY 2024, they will be significantly lower than what they were in FY 2021.

As a core part of the Department's mission, we have increased educational efforts, particularly as it relates to securities. The Office of the Securities Commissioner, a division of the Kansas Insurance Department relaunched SmartInvestKS.com, an investor education initiative designed to help Kansans understand investments, avoid fraud and identify industry tools that are available to them.

The Department's law enforcement officers actively investigate insurance and securities fraud, forwarding cases to the Office of the Attorney General for prosecution. In 2022, we doubled the number of fraud cases we referred for prosecution.

While all the work at the Department is important, the work we do in the Consumer Assistance Division remains my top priority. Since taking office, the Department has recovered more than \$26 million for Kansans. 2022 was a new milestone with \$7.6 million in recoveries. If you or one of your constituents have an insurance issue, please reach out to the Department. Below are several key staff members who can assist you.

- Eric Turek, Director of Public & Government Affairs  
[Eric.L.Turek@ks.gov](mailto:Eric.L.Turek@ks.gov)  
785-296-2461
- Kyle Strathman, Public Affairs Manager  
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785-296-7831
- LeAnn Crow, Director of Consumer Assistance  
[LeAnn.Crow@ks.gov](mailto:LeAnn.Crow@ks.gov)  
785-296-7827
- Mandy Roe, Chief of Staff  
[Mandy.Roe@ks.gov](mailto:Mandy.Roe@ks.gov)  
785-296-7807

I look forward to working with this committee during the 2023 Legislative Session to advance the Department's legislative agenda, which is designed to improve operations, provide clarity for the insurance industry, and better protect Kansans. Staff will discuss those items in more detail at the appropriate time.

Thank you for your time and consideration.

Vicki Schmidt  
Commissioner of Insurance