KANSAS DEPARTMENT OF INSURANCE

Kansas Department of Insurance

An Overview of the Department



Mission Statement

The mission of the Kansas Department of Insurance is to Regulate, Educate, and Advocate.

Regulate:
Regulate and review companies that sell policies in Kansas to ensure solvency and compliance with insurance and securities laws and regulations. License and register the agencies, firms and individuals selling these products in Kansas.

Educate:
Consumers about all things insurance and securities by publishing brochures and insurance guides to assist in the shopping process, giving presentations to groups across Kansas and serving as a non-biased source of information.

Advocate:
For a strong and competitive market to give Kansans choices when shopping for products that meet their needs.

History

The Kansas Legislature established the Kansas Department of Insurance in 1871. Currently codified in K.S.A. 40-102

In 2017, the Department began regulating securities after the Legislature merged the Office of the Kansas Securities Commissioner with the Kansas Department of Insurance. Prior to the 2017 Legislation, the Securities Commission was an executive branch agency that reported to the Governor. Originally established in 1911, Kansas was the first state to pass a law regulating the sale of investments.

Renaming of the Department from Kansas Insurance Department to Kansas Department of Insurance (K.S.A. 40-102a) and The Office of the Kansas securities Commissioner to the Kansas Department of Insurance, Securities Division.

Commissioner of Insurance

The Commissioner of Insurance is one of 6 statewide elected officials in Kansas. Pursuant to K.S.A. 40-106, the Commissioner serves a four-year term and is not capped by term limits.

The first Superintendent of Insurance (the title was later changed to Commissioner of Insurance in 1927 under K.S.A. 40-105), was William C. Webb. There have been twenty-six Commissioners of the Kansas Department of Insurance, including current Commissioner Vicki Schmidt. The longest-serving Commissioner was Frank Sullivan, who served from 1947 to 1971.

Regulatory Structure

- Statutes. The Kansas Insurance Code, K.S.A. 40-101 *et seq.*

- Regulations. K.A.R. 40-1-1 et. seq.

- Bulletins
  - Guidance documents, maintained by the Department.
  - These documents do not have the force and effect of law.

- National Association of Insurance Commissioners (NAIC)
  - Insurance is generally state-based but the nature of most companies we deal with is multi-state/multi-national.
  - Model Laws
  - Model Regulations

Department of Insurance Structure

- Producer Licensing
- Rate and Form Compliance
- Financial Surveillance
- Consumer Assistance
- Market Conduct
- Anti-Fraud
- Securities
- Pharmacy Benefit Management
- Administration

Producer Licensing

The Department administers agent/producer licensing requirements including:

- Who must be licensed
- What lines of authority are required
- Application and examination requirements,
- Continuing education obligations,
- Disciplinary action.

Under Kansas law, an insurance agent —also referred to as an insurance producer or producer —means any person required to be licensed under the provisions of chapter 40 of the Kansas Statutes Annotated to sell, solicit, or negotiate insurance (K.S.A. 40-4902).

Producer Licensing

- Licensing (Resident and Nonresident). Licenses are issued for specific lines of authority.
  - Major Lines
  - Limited Lines/Other

- Regulation of Producers/Agents
  - Application and Examination Requirements (40-241, article 49 (uniform insurance agents licensing act)
  - Continuing Education and Renewals (K.S.A. 40-4903).

- Enforcement – the Commissioner of Insurance has authority to suspend or revoke a producer license. K.S.A. 40-2404, 40-4909.
  - Due process protections apply. KAPA based hearings process

Insurance Company Supervision

The Commissioner of insurance has general supervision, control and regulation of corporations, companies, associations, societies, exchanges, partnerships, or persons authorized to transact the business of insurance, indemnity or suretyship in Kansas. See K.S.A. 40-102.

The Commissioner of Insurance also has supervision of all transactions relating to the organization or reorganization of insurance companies organized under the laws of Kansas. See K.S.A. 40-104.

Except the Kansas Insurance Code does not apply to all types of entities. See K.S.A. 40-202

Further, Surplus or Excess lines insurance allows non-admitted insurers to conduct business through Kansas licensed brokers in specific circumstances. See K.S.A. 40-246b *et seq.*

Fees

The Kansas Department of Insurance is a fee-based agency.

Each year, the Department publishes the majority of fees in the *Kansas Register* for the next Calendar Year for the entities and persons licensed by the Department. Our statutes generally contain language that fees are "not to exceed" certain amounts capped in statute.

Rate and Form Filing Division

The KDOI enforces compliance with product standards, actuarial support requirements, life and annuity nonforfeiture, suitability, replacement, and illustration regulations; oversees network adequacy and mental health parity for health carriers; and ensures compliance with mandated benefits, appeals, and grievance processes. Insurers are generally required to file, with the Commissioner, their rates and policy forms as well as modifications proposed for use. K.S.A. 40-955.

The Rate and Form Filing Division reviews and approves, disapproves, or otherwise regulates policy forms, endorsements, filings, and rates for lines of insurance subject to prior approval, file-and-use, or use-and-file regimes, ensuring compliance with statutory standards including that rates are not excessive, inadequate, or unfairly discriminatory, and that forms are readable and not misleading. KDI monitors rating organizations and data reporting consistent with state law.

Insurance company filings are submitted electronically to the Kansas Department of Insurance through the System for Electronic Rate and Form Filing (SERFF).

Financial Surveillance

One of the main functions of the Department of Insurance is to monitor and regulate the financial condition and solvency of insurers from admission/pre-admission throughout the life of the company. The Financial Surveillance Division manages these processes and duties.

- Company Admission
  - The Department reviews and approves the formation, domestication, redomestication, and admission of insurers and related risk-bearing entities, including life, health, property and casualty, fraternal benefit societies, reciprocal exchanges, captives, HMOs, dental and vision plans, title insurers, and mutuals; issues certificates of authority; and enforces requirements for corporate governance, capital and surplus, deposits, and statutory filings.
  - Captive Insurance Company Admission. K.S.A. 40-4301 *et seq.*

Financial Surveillance

- Financial Supervision
  - Examinations – scheduled financial examinations and targeted/topic specific examinations (K.S.A. 40-222) and organizational examinations for newly formed or companies seeking new admittance (K.S.A. 40-208).
  - Quarterly and annual filing requirements and review of company financial records including the insurer holding company structures
  - Reviews credit for reinsurance arrangements, collateral and trust requirements, certified reinsurer and reciprocal jurisdiction provisions, investment limitations and diversification standards, assumption reinsurance and novation, mergers, redomestication (*See generally,* K.S.A. 40-221a, 40-221b, 40-2,162, 40-448), and divisions or corporate restructurings requiring regulatory approval.

Rehabilitation and Liquidation

K.S.A. 40-3605 *et seq.* The Insurers Supervision, Rehabilitation and Liquidation Act.

The KDOI initiates and administers delinquency proceedings for insurers in hazardous or insolvent financial condition, including supervision, rehabilitation, and liquidation, with court oversight; secures assets, adjudicates claims, and coordinates with State guaranty associations to protect policyholders and claimants as provided by law.

Consumer Assistance Division

- Complaints
    - The KDOI receives, tracks, and resolves consumer inquiries and complaints regarding insurers, producers, and other regulated entities; provides consumer education and outreach on insurance products, coverages, claims handling, pricing, and policyholder rights; and maintains public information resources and advisories concerning market conditions, disaster response, fraud prevention, and emerging risks
- Independent Medical Review. K.S.A. 40-22a13 *et seq.*
- Outreach and Education

Market Conduct

- The KDOI conducts market analysis and market conduct examinations of insurers and other licensees to evaluate sales practices, underwriting, rating, claims handling, policyholder service, replacement and suitability (including annuities and life), advertising, and compliance with state insurance laws and regulations. The Department may require corrective action plans, impose administrative penalties, and order restitution where authorized.

- Examinations are conducted under K.S.A. 40-222.

Insurance Anti-Fraud Investigations

K.S.A. 40-113 established the criminal anti-fraud division of the Department. This division accepts information and complaints regarding possible insurance fraud from Kansas consumers, other divisions within the Department, other state and federal law enforcement agencies, and insurance companies.

The Office of the Securities Commissioner - Formerly

- In 1911, Kansas became the first state to pass a law regulating the sale of investments. Other states eventually followed Kansas' lead by passing similar regulatory laws. State securities laws all pay a subtle tribute to Kansas history in their commonly known name, "Blue Sky Laws." Today, the Division enforces the Kansas Uniform Securities Act and related provisions

- The Securities Division of the Kansas Department of Insurance serves the public by regulating the securities industry and helping Kansans safeguard personal wealth from deceptive behavior. See K.S.A. 17-12a101 *et seq.*

- In 2017, the Departments were merged under the banner of the Insurance Department.

Pharmacy Benefits Managers (PBM)

The Kansas Consumer Prescription Protection and Accountability Act was signed into law on April 9, 2026. The Act establishes a new regulatory framework for pharmacy benefit managers (PBM) to increase fairness and transparency in the practices of PBMs. K.S.A. 40-3821 *et seq.*

- Reporting Requirements
- Pricing Requirements
- Compliance and Enforcement

Kansas Insurance Verification System (KSIVS)

SB 42 was signed into law on April 9, 2025, giving the Department the authority to establish a web-based system for verification of motor vehicle liability insurance.
The Kansas Insurance Verification System (KSIVS) uses an electronic, real-time system of verification that matches existing motor vehicle insurance policies from reporting insurers directly with the vehicle identification number (VIN) of actively registered motor vehicles via the Kansas Department of Revenue's motor vehicle records system.
The KSIVS helps ensure that everyone follows the same rules. By improving insurance verification, Kansas is better equipped to enforce existing law, reduce fraud, and protect law-abiding motorists from bearing the financial burden created by uninsured drivers.

Discuss The role of the Legal Division

The Legal Division provides advice and counsel to the Commissioner and the operating divisions of the Department, including handling litigation, drafting and amending regulations and statutes, enforcing penalties for violations of all Kansas insurance laws and regulations and complying with Kansas Open Records Act requests on behalf of the Department.

Questions?

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