



**KANSAS
TRIAL LAWYERS
ASSOCIATION**

To: Rep. Susan Humphries, Chair
Members of the House Judiciary Committee

From: Callie Jill Denton, Executive Director

Date: February 12, 2024

Re: HB 2593 Concerning arbitration (SUPPORT)

Thank you, on behalf of the Kansas Trial Lawyers Association, for the opportunity to provide testimony in support of passage of HB 2593.

HB 2593 restores an important provision of Kansas' Uniform Arbitration Act. The provision was inadvertently repealed when extensive revisions and updates to the Act were passed as part of Kansas' adoption of the Revised Uniform Arbitration Act (RUAA).

The repealed law prohibited insurance companies from requiring that policyholders resolve disputes through arbitration. The law did not prevent insurance companies and policyholders from agreeing to arbitrate a dispute once it occurred. It simply protected Kansans from being required to agree to arbitrate any future dispute, if one arose, simply by purchasing insurance and signing their insurance policy.

Kansas law without the prohibition is a significant change with implications for Kansas insurance consumers. As policyholders renew, or purchase new coverage, they may not be informed that the contract contains arbitration provisions, and that when they sign it, they are also entering into an arbitration agreement. They may not realize that under the agreement they have limited or waived their constitutional right to trial by jury and to access the court.

Kansas prohibited mandatory arbitration for years prior to the inadvertent repeal of the statute in 2018. Missouri, Nebraska, and Oklahoma have similar prohibitions against mandatory arbitration in insurance contracts. Without the prohibition, there are no safeguards in Kansas statute to assure that the agreement to arbitrate is made *after* the

dispute arises and that both parties enter the agreement knowingly, understanding the pros and cons of choosing arbitration, including waiving their right to access the court. On behalf of KTLA, I respectfully request that the House Judiciary Committee pass HB 2593 and restore the long-standing statutory protection for Kansas insurance policyholders. Thank you for the opportunity to present testimony to the committee.