

Suzanne Nelson

From: Eric L. Turek [KID] <eric.l.turek@ks.gov>
Sent: Monday, January 30, 2023 11:09 AM
To: Jeff Longbine
Cc: Mandy Roe [KID]; Kyle Strathman [KID]
Subject: SB 15 Hearing - Follow Up

EXTERNAL: This email originated from outside the organization. Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Afternoon Mr. Chairman & Members of the Senate FI&I Committee

I wanted to follow up with you concerning some questions that were expressed during the committee hearing on SB 15, which would repeal the “written demand” requirement relating to insurance agents who fail to pay premiums to an insurance company. Here are those questions expressed in committee and respective answers:

- How many times does the Department see agents refusing to pay premium to their companies?
 - Within the past five years, the Department has only sent three cases on this issue to the Attorney General’s Office for prosecution.
 - There may be legal reasons why a company may not inform the Department as to an issue of an agent misusing premium.
- How many times is this specific statutory written demand made from the insurer to the agent?
 - We cannot determine how many times specifically this written demand was made. The written demand, in practice, would come from a company, and that isn’t reported to us. Though, it is not specified who makes the written demand.

Lastly, I do want to note that we know it was the Legislature’s intent to indeed make this act a crime. We just want to further that intent, rather than have this “written demand” requirement be a distraction from the actual essence of the crime—stealing a policyholder’s premium and using it for another purpose.

Let me know if you have any further questions on this item. Thank you.

Eric Turek

Director of Government & Public Affairs
Kansas Insurance Department
Vicki Schmidt, Commissioner
1300 SW Arrowhead Rd., Topeka, KS 66604
[Facebook](#) | [Twitter](#) | insurance.kansas.gov
W: 785-296-2461 | C: 785-581-2320



This communication may contain confidential and privileged information intended only for the addressee(s). Unintended recipients should contact the sender and completely delete the message as soon as possible.