



Kansas Insurance Department

Ken Selzer, CPA, Commissioner of Insurance

SENATE FINANCIAL INSTITUTIONS AND INSURANCE

TESTIMONY ON SB 22

January 18, 2017

Chairman and Members of the Committee:

Thank you for the opportunity to appear before the committee in favor of SB22. This bill seeks to update statutes related to Third Party Administrators. These businesses, who underwrite, collect premium, adjust claims or other functions on behalf of insurance companies, have changed greatly in the 40 years since the current statute was adopted.

Many Third Party Administrators now conduct business in multiple states, some of them in all 50 states. Because of the need to oversee the far reach of these companies, states began to draft laws that would assure consistent financial oversight. Passage of this bill assures other states that a Third Party Administrator domiciled in Kansas, is a properly regulated business. This is important both for Kansas consumers and for Kansas businesses seeking to do business in other states.

The department urges your favorable consideration.

Clark Shultz
Deputy Commissioner of Insurance
Kansas Insurance Department