

KANSAS DEPARTMENT OF INSURANCE

Budget Committee Report

KLRD Analyst: Waddell
KLRD Summary: Vol. 1, Pg.104

DOB Analyst: Froetschner
GBR Analysis: Vol. 1, Pg. 86

Executive Summary

Summary of Total Expenditures, FY 2023 – FY 2027					
	SGF	All Other Funds	Total	FTE Positions	
FY 2023 Actual	\$ -	\$ 36,764,238	\$ 36,764,238	135.0	
FY 2024 Actual	-	39,158,868	39,158,868	135.3	
FY 2025 Actual	-	45,668,267	45,668,267	135.0	
FY 2026					
Approved, with Reappropriations	\$ -	\$ 45,658,345	\$ 45,658,345	135.0	
Agency Revised Estimate	-	47,762,199	47,762,199	135.0	
Special Committee on the State Budget	-	47,762,199	47,762,199	135.0	
House Committee of the Whole	-	47,762,199	47,762,199	135.0	
Senate Ways and Means	-	47,762,199	47,762,199	135.0	
Conference Committee*	-	-	-	-	
Governor's Recommendation	-	47,762,199	47,762,199	135.0	
FY 2027					
FY 2026 Approved, without Reappropriations	\$ -	\$ 45,658,345	\$ 45,658,345	135.0	
Agency Request	-	47,851,941	47,851,941	135.0	
Special Committee on the State Budget	-	47,851,941	47,851,941	135.0	
House Committee of the Whole	1,000,000	47,851,941	48,851,941	135.0	
Senate Ways and Means	500,000	47,851,941	48,351,941	135.0	
Conference Committee*	-	-	-	-	
Governor's Recommendation	-	47,851,941	47,851,941	135.0	

* Note : This committee has not taken action on this agency's budget yet.

Pursuant to [2025 HB 2050](#), the Kansas Insurance Department was renamed the Kansas Department of Insurance. All powers, duties, and functions of the former agency were transferred to the renamed department. The mission of the Kansas Department of Insurance (the Department) is to regulate, educate, and advocate. The Department operates through two divisions. The Insurance Division manages Insurance Regulation, the Firefighters Relief Act, and Workers Compensation for uninsured employers. The Securities Division administers Securities Regulation under the Kansas Uniform Securities Act and Investor Education and Protection, providing education, preventing fraud, and enforcing securities laws

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FY 2026

Summary of Legislative Recommendations, FY 2026					
	SGF	All Other Funds	Total	FTE Positions	
Approved, with Reappropriations	\$ -	\$ 45,658,345	\$ 45,658,345	135.0	
Agency Revised Estimate	-	47,762,199	47,762,199	135.0	
Special Committee on the State Budget (SBC)					
<i>Change from Agency Revised Estimate</i>	\$ -	\$ -	\$ -	-	
TOTAL – Special Committee	\$ -	\$ 47,762,199	\$ 47,762,199	135.0	
House Committees					
General Government Budget	\$ -	\$ -	\$ -	-	
Appropriations	-	-	-	-	
Committee of the Whole	-	-	-	-	
<i>Subtotal – House Change from SBC</i>	\$ -	\$ -	\$ -	-	
TOTAL – Current House Position	\$ -	\$ 47,762,199	\$ 47,762,199	135.0	
Senate Committees					
Ways and Means [Executive]	\$ -	\$ -	\$ -	-	
Ways and Means	-	-	-	-	
Committee of the Whole*	-	-	-	-	
<i>Subtotal – Senate Change from SBC</i>	\$ -	\$ -	\$ -	-	
TOTAL – Current Senate Position	\$ -	\$ 47,762,199	\$ 47,762,199	135.0	
Legislative Approved					
Conference Committee	\$ -	\$ -	\$ -	-	
Governor's Vetoes	-	-	-	-	
Veto Overrides	-	-	-	-	
<i>Subtotal – Approved Change from SBC</i>	\$ -	\$ -	\$ -	-	
GRAND TOTAL – Final Approved	\$ -	\$ 47,762,199	\$ 47,762,199	135.0	

* Note : This committee has not taken action on this agency's budget yet.

Agency

The **agency** submits a revised estimate of \$47.8 million in expenditures, including \$14.6 million from the Insurance Department Service Regulation Fund, and 135.0 FTE positions in FY 2026. This represents a total of increase of \$2.1 million, or 4.6 percent, above the amount previously approved by the 2025 Legislature, largely due to the following items:

- **Contractual Services:** Contractual services are increased by \$1.2 million primarily for the implementation of the Real Time Motor Vehicle Insurance Verification System, established in 2025 SB 42. The bill created the Kansas Real Time Motor Vehicle Insurance Verification Act, which requires the Commissioner of Insurance to develop a web-based system for online verification of motor vehicle insurance coverage and directs motor vehicle insurers to cooperate in establishing and maintaining the system.

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- **Salaries and Wages:** Salaries and Wages are increased by \$460,804 due to promotions, filling vacant positions, changes in position assignments, and salary increases to maintain staffing levels in key positions.
- **Capital Outlay:** Capital outlay is increased by \$405,500 for servers, storage upgrades, software purchases, and office technology and furniture to support IT infrastructure and cybersecurity improvements.
- **Commodities:** Commodities are increased by \$30,000 for rebranding and related updates following the department's name changes under 2025 HB 2050.

Special Committee on the State Budget

The **Special Committee** concurs with the agency's revised estimate in FY 2026.

House Committees

House Committee on General Government Budget

The **House Budget Committee** concurs with the Special Committee's recommendation in FY 2026.

House Committee on Appropriations

The **House Committee** concurs with the House Budget Committee's recommendation in FY 2026.

House Committee of the Whole

The **House Committee of the Whole** concurs with the House Committee's recommendation in FY2026.

Senate Committees

Senate Committee on Ways and Means – Executive Subcommittee

The **Senate Subcommittee** concurs with the Special Committee's recommendation in FY 2026.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the Senate Committee's recommendation in FY 2026.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the House Committee's recommendation in FY 2026.

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FY 2027

Summary of Legislative Recommendations, FY 2027					
	SGF	All Other Funds	Total	FTE Positions	
FY 2026 Approved, without Reappropriations	\$ -	\$ 45,658,345	\$ 45,658,345	135.0	
Agency Request	-	47,851,941	47,851,941	135.0	
Special Committee on the State Budget (SBC)					
<i>Change from Agency Request</i>	\$ -	\$ -	\$ -	-	-
TOTAL – Special Committee	\$ -	\$ 47,851,941	\$ 47,851,941	135.0	
House Committees					
General Government Budget	\$ -	\$ -	\$ -	-	-
Appropriations	1,000,000	-	1,000,000	-	-
Committee of the Whole	-	-	-	-	-
<i>Subtotal – House Change from SBC</i>	\$ 1,000,000	\$ -	\$ 1,000,000	-	-
TOTAL – Current House Position	\$ 1,000,000	\$ 47,851,941	\$ 48,851,941	135.0	
Senate Committees					
Ways and Means [Executive]	\$ -	\$ -	\$ -	-	-
Ways and Means	500,000	-	500,000	-	-
Committee of the Whole*	-	-	-	-	-
<i>Subtotal – Senate Change from SBC</i>	\$ 500,000	\$ -	\$ 500,000	-	-
TOTAL – Current Senate Position	\$ 500,000	\$ 47,851,941	\$ 48,351,941	135.0	
Legislative Approved					
Conference Committee	\$ -	\$ -	\$ -	-	-
Governor's Vetoes	-	-	-	-	-
Veto Overrides	-	-	-	-	-
<i>Subtotal – Approved Change from SBC</i>	\$ 500,000	\$ -	\$ 1,000,000	-	-
GRAND TOTAL – Final Approved	\$ 500,000	\$ 47,851,941	\$ 48,351,941	135.0	

* Note : This committee has not taken action on this agency's budget yet.

Agency

The **agency** requests \$47.9 million, including \$13.8 million from the Insurance Department Service Regulation Fund, in expenditures and 135.0 FTE positions for FY 2027. This represents a total increase of \$2.2 million, or 4.8 percent, above the amount previously approved by the 2025 Legislature, largely due to the following:

- **State Firefighters Relief Fund:** The State Firefighters Relief Fund is increased by \$1.0 million for firefighter relief distributions, reflecting higher projected revenue from the Firefighters Relief Fund Tax, from \$23.0 million to \$24.0 million.
- **Contractual Services:** Contractual service increased by \$666,050 primarily attributable to ongoing costs of the Real Time Motor Vehicle Insurance Verification System.
- **Salaries and Wages:** Salaries and wages increase by \$542,546 for employee pay adjustments, promotions, and filling vacant positions; health insurance costs rise \$154,293.

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- **All Other Adjustments:** All other adjustments result in a total decrease of \$15,000, mostly from lower commodities costs, partially offset by small increases in capital outlay for equipment and office needs.

Special Committee on the State Budget

The **Special Committee** concurs with the agency request for FY 2027.

House Committees

House Committee on General Government Budget

The **House Budget Committee** concurs with the Special Committee's recommendation for FY 2027.

House Committee on Appropriations

The **House Committee** concurs with the House Budget Committee's recommendation for FY 2027, with the following adjustments:

1. Add language requiring that printing and advertising expenditures for the Kansas Department of Insurance will not exceed \$750,000 for FY 2027.
2. Add \$1.0 million SGF to the Kansas Department of Insurance for FY 2027 to implement the HERO (Helping Emergency Responders Overcoming Post-Traumatic Stress Disorder) pilot program. The program reimburses first responders for evaluation and treatment of trauma-related mental health conditions arising from qualifying critical incidents, including ASD, PTSD, sub-clinical trauma syndrome, or recurrence of a previously diagnosed condition. The Kansas Department of Insurance will gather data on all claims and report on program effectiveness to the Senate Ways and Means Committee and House Appropriations Committee by June 30, 2027.

House Committee of the Whole

The **House Committee of the Whole** concurs with the House Committee's recommendation for FY 2027.

Senate Committees

Senate Committee on Ways and Means – Executive Subcommittee

The **Senate Subcommittee** concurs with the Special Committee's recommendation for FY 2027.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the Senate Committee's recommendation for FY 2027, with the following adjustment:

1. Add \$500,000 SGF to the Kansas Department of Insurance for FY 2027 to implement the HERO (Helping Emergency Responders Overcoming Post-Traumatic Stress Disorder) pilot program. The program reimburses first responders for evaluation and treatment of trauma-related mental health conditions arising from qualifying critical incidents, including ASD, PTSD, sub-clinical trauma syndrome, or recurrence of a previously diagnosed condition. The Kansas Department of Insurance will gather data on all claims and report on program effectiveness to the Senate Ways and Means Committee and House Appropriations Committee by June 30, 2027.

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Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the House Committee's recommendation for FY 2027.