



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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## BULLETIN 2012-2

**TO:** All Property and Casualty Insurance Companies Authorized to Write Business In Kansas

**FROM:** Sandy Praeger  
Commissioner of Insurance

**DATE:** March 26, 2012

**RE:** Kansas Alternative Mediation Program (K.A.M.P.) – Renewal of Mediation Services

This Bulletin provides notification that the Kansas Insurance Department's Kansas Alternative Mediation Program (K.A.M.P.) has been renewed. As our previous Bulletin 2007-3 indicated, K.A.M.P. offers an alternative dispute resolution process which, among other benefits, improves insurance company retention of insureds by promoting a dispute resolution process equally weighted to both parties; permits insurance companies to lower their complaint ratio both with the Kansas Insurance Department and the National Association of Insurance Commissioners, since complaints would now be recorded as inquiries; and possibly lowers claim adjustment expenses on unresolved claims. New to the program is the opportunity to allow telephone mediation if both parties are agreeable. Thus, claim adjustment expenses may be further reduced.

Again, examples of suitable candidates for the K.A.M.P. include claim disputes involving:

- Property value disputes on total loss motor vehicles
- Disputes on repair estimates of motor vehicle damage
- Disputes on repair amounts concerning damage to real property
- Comparative negligence disputes
- Bodily Injury and/or Property Damage liability claim disputes
- Any other disputes, except those issues involving coverage questions, workers compensation insurance claims and Kansas No-Fault Personal Injury Protection benefits claims

When both the insurance consumer and insurance company agree to participate in K.A.M.P., the case is referred to the Kansas Insurance Department ("KID") contract mediator for resolution. The matter would only be referred back to KID's Consumer Assistance Division if the matter cannot be resolved through K.A.M.P. In that case, a consumer assistance representative would treat the dispute as a filed complaint to determine if the insurance company has violated any applicable Kansas insurance statutes and/or regulations.

Once an agreement to participate in K.A.M.P. has been established for the insurance consumer and insurance company, then an authorized insurance company representative (not legal counsel) may attend the mediation to authorize settlement on behalf of the insurance company.

The KID contract mediator service charges are paid by the insurance company participating in K.A.M.P. The mediation hourly charge is ninety three dollars (\$93) for the first one and one-half (1 & ½) hours and sixty dollars (\$60) per hour thereafter. After the mediator has been assigned one hundred (100) mediations in a calendar year, the above amount is reduced to eighty two (\$82) for the first one and one-half (1 & ½) hours. The charge will remain at \$60 per hour thereafter. An administrative hourly charge of twenty seven dollars and fifty cents (\$27.50) also applies per mediation, as well as any mileage per diem costs as allowed by the State of Kansas. The participating insurance company agrees to pay any cost of the mediation process as billed by the Kansas Insurance Department.

A Kansas Alternative Mediation Program Insurance Company Mediation Agreement is attached for those insurance companies not already participating. Please complete and return this form to the Kansas Insurance Department – Consumer Assistance Division – 420 SW 9th Street – Topeka, KS 66612 or send by facsimile to 785-296-5806.

If you have any questions, please contact the Consumer Assistance Division, Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas 66612, by phone at 785-296-3071 or via email at [commissioner@ksinsurance.org](mailto:commissioner@ksinsurance.org).