



Kansas Department of Insurance

Commissioner Vicki Schmidt

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Securities bills designed to protect vulnerable Kansans signed into law

Topeka, Kan. – Kansas Insurance Commissioner Vicki Schmidt, today, announced that two securities bills introduced by the Kansas Department of Insurance have been signed into law. The bills are designed to protect vulnerable Kansans from financial exploitation and strengthen Department’s ability to penalize bad actors.

HB 2562, the Protect Vulnerable Adults from Financial Exploitation Act, is based on a model law from the North American Securities Administrators Association (NASAA) and has been adopted in some form in 41 other states. The new law will give agents, broker-dealers, investment advisers and representatives the ability to pause transactions for senior and dependent adults when fraud is suspected to help ensure the investment is legitimate. The Department will also be notified to investigate.

SB 405 allows the Department to pursue penalties against the non-registered control persons of violators of the Kansas Uniform Securities Act. This eliminates a loophole and strengthens protections for Kansans.

“Recouping a victim’s money after an investment scam is an incredibly low probability—less than five percent,” said Schmidt. “That’s why prevention is so important, particularly with the most vulnerable. These new laws will give financial advisors and the Department stronger tools to prevent fraud and go after bad actors.”

The legislation will go into effect July 1, 2024. The full text of each bill can be found at www.kslegislature.org.

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*The Kansas Department of Insurance was established in 1871, currently led by Commissioner Vicki Schmidt. The mission of the Department is to **regulate** companies that sell policies in Kansas to ensure solvency and compliance with state law, **educate** consumers about all things insurance and securities, and **advocate** for a strong and competitive market to give Kansans choices when shopping for products that meet their needs.*