



# ANNUAL REPORT

2022



**VICKI SCHMIDT, COMMISSIONER**

[insurance.kansas.gov](http://insurance.kansas.gov)

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# TO THE GOVERNOR

Dear Governor Kelly,

This is the 2022 Annual Report of the Kansas Insurance Department. This report is established by the provisions of K.S.A. 40-108 and summarizes the condition of insurers and the activities of the Kansas Insurance Department through calendar year 2022. If you have any questions concerning this report, please reach out to our office at 785-296-7829.

Sincerely,

Vicki Schmidt

Commissioner of Insurance

## INSURER SOLVENCY AND ACCREDITATION

The prime objective of the Kansas Insurance Department is to regulate, educate and advocate. The Department carries this out through several key facets including the financial examination process, whereby domestic insurers are verified to have enough capital on hand to remain solvent to pay out claims.

The Department must ensure the solvency of all insurance companies that transact business in the state of Kansas in order to protect consumers. The Department routinely conducts financial examinations of all domestic insurers every three to five years, and jointly conducts financial examinations with other jurisdictions of nondomestic insurers. During 2022, the Department completed a total of ten financial examinations on domestic and nondomestic insurers. The results of these examinations are publicly available, and posted on the Department's website:

<https://insurance.ks.gov/otherservices/financial-exams.php>.

The Kansas Insurance Department is accredited by the National Association of Insurance Commissioners (NAIC), an interstate association comprised of the insurance regulators from the fifty states, five territories and the District of Columbia. To achieve this accreditation, regulators must meet stringent national standards that demonstrate effective insurance company financial solvency regulation.

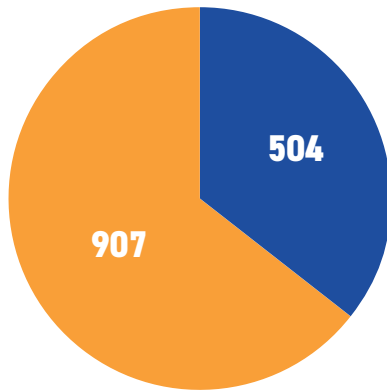
The Department views accreditation by the NAIC as a commitment to consumers to institute and the highest standards in financial regulation of the insurance industry in Kansas. The accreditation review is repeated every five years to affirm that the Kansas Insurance Department continues to meet all requirements. The Department was re-accredited in December 2021 by the NAIC.

# KANSAS INSURANCE DEPARTMENT: 2022 OVERVIEW

## NUMBER OF ONLINE CHATS

LICENSING 907

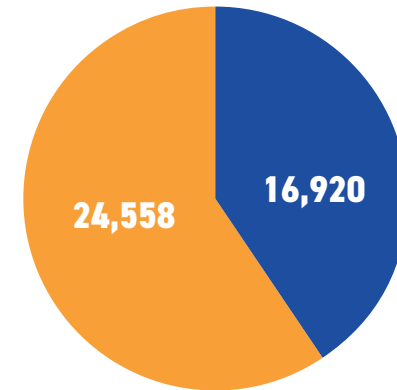
CONSUMERS 504



## NUMBER OF CALLS

LICENSING 24,558

CONSUMERS 16,920



## CLAIM RECOVERIES

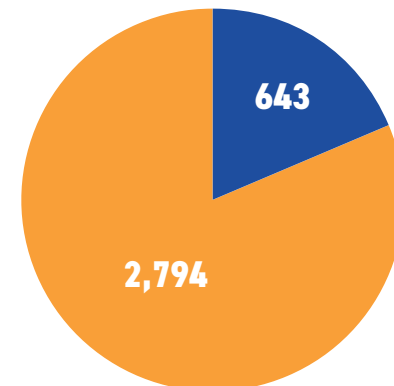
\$7.6 MILLION RECOVERED FOR KANSANS

**\$7.6**  
MILLION

## NUMBER OF COMPLAINTS

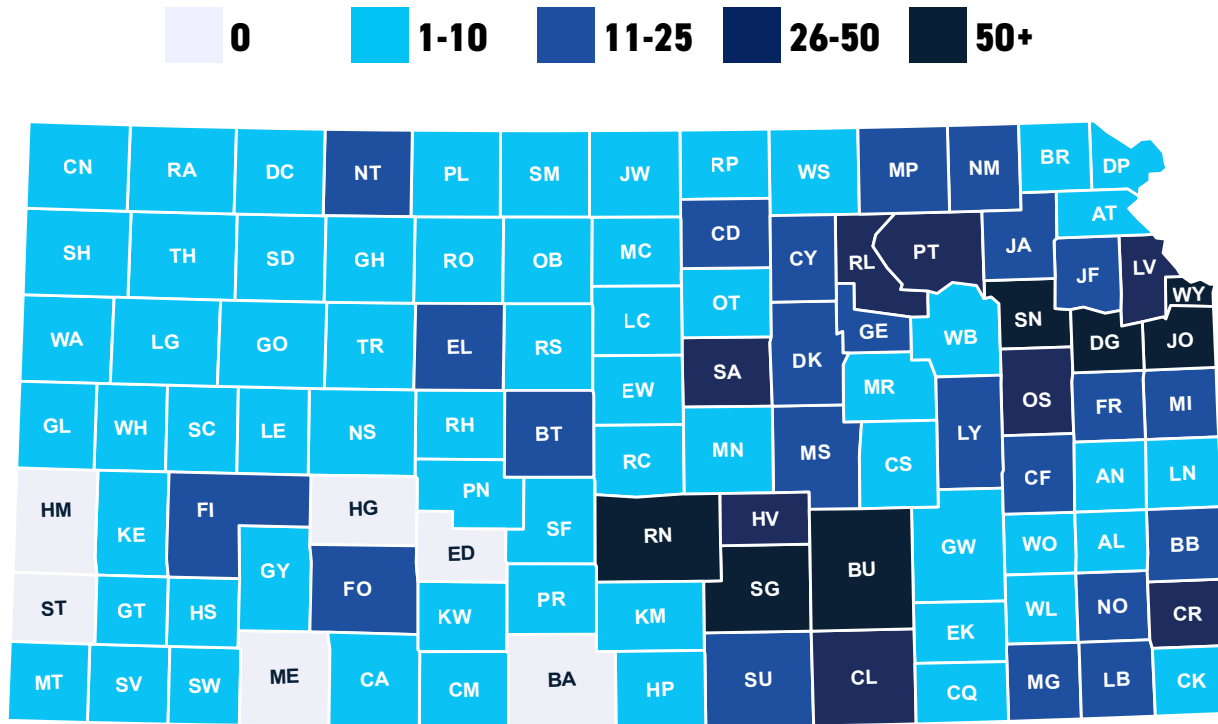
COMPLAINTS 2,794

INQUIRIES 643



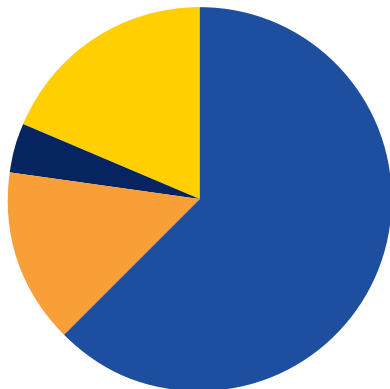
# NUMBER OF COMPLAINTS BY COUNTY

Kansas consumer complaints regarding annuities, auto, health, life, property, or business policies.



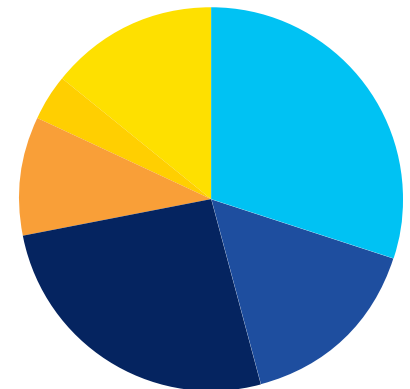
## ANTI-FRAUD CASES INVESTIGATED

- AUTO/HOME: 594
- HEALTH/LIFE: 139
- AGENT/INTERNAL: 42
- OTHER: 174



## COMPLAINTS BY LINE

- AUTO: 30%
- HOME: 16%
- HEALTH/DENTAL: 26%
- LIFE/ANNUITIES: 10%
- LONG-TERM CARE: 4%
- OTHER: 14%



# FINANCIAL INFORMATION - FY 2022

JULY 1, 2021 TO JUNE 30, 2022

| <b>TO THE STATE GENERAL FUND:</b>                          |                      |
|--|----------------------|
| Taxes  | \$196,373,440        |
| License business (securities)                              | -                    |
| Fines & penalties  | \$327,634            |
| <b>TOTAL TO SGF</b>  | <b>\$196,701,073</b> |
| <b>TO SPECIAL FUNDS:</b>                                   |                      |
| Insurance company examination fund                         | \$233,812            |
| Securities Act Fee Fund                                    | \$140,133            |
| Investor education   | \$227,276            |
| Insurance department service regulation fund               | \$17,555,611         |
| Captive insurance regulation & supervision fund            | \$110                |
| Pharmacy Benefit Manager Registration Fund                 | \$10,080             |
| Professional Employer Organization Registration Fund       | \$99,500             |
| Workers Compensation Fund                                  | \$3,663,863          |
| Municipal Group Funded Pools Fee Fund                      | -                    |
| Group Funded Work Comp Pools Fee Fund                      | -                    |
| Firefighter Relief Fund                                    | \$16,123,457         |
| HMO Privilege Fee  | \$245,418,036        |
| <b>TRANSFERS OUT</b>                                       |                      |
| Securities Act Fee Fund                                    | (\$200,000)          |
| Insurance Department Service Regulation Fund               | (\$175,000)          |
| Firefighter Relief Fund                                    | (\$16,558,243)       |
| HMO Privilege Fee  | (\$245,418,036)      |
| <b>TOTAL TO SPECIAL FUNDS</b>                              | <b>\$21,120,598</b>  |
| <b>INSURANCE DEPARTMENT NET DEPOSITS FISCAL YEAR</b>       | <b>\$217,821,672</b> |
| <b>FIRE MARSHAL TAXES REMITTED TO OTHER STATE AGENCIES</b> | <b>\$9,733,272</b>   |

# SERVICES PROVIDED DURING 2022

LICENSES ISSUED, INSURANCE

| <b>AGENTS</b>                              |                |
|--|----------------|
| New resident agents licenses issued        | 2,245          |
| Resident agent license renewals            | 7,357          |
| <b>Total resident agents</b>               | <b>22,420</b>  |
| New nonresident agents licenses issued     | 35,495         |
| Nonresident agent license renewals         | 37,827         |
| <b>Total nonresident agents</b>            | <b>170,332</b> |
| <b>TOTAL LICENSED AGENTS</b>               | <b>192,752</b> |
| <b>AGENCIES</b>                            |                |
| New resident agencies licenses issued      | 156            |
| Resident agency license renewals           | 779            |
| <b>Total resident agencies</b>             | <b>3,141</b>   |
| New nonresident agencies licenses issued   | 1,636          |
| Nonresident agency license renewals        | 3,880          |
| <b>Total nonresident agencies</b>          | <b>10,426</b>  |
| <b>TOTAL LICENSED AGENCIES</b>             | <b>13,567</b>  |
| <b>PHARMACY BENEFIT MANAGERS</b>           |                |
| <b>TOTAL PHARMACY BENEFIT MANAGERS</b>     | <b>39</b>      |
| <b>THIRD PARTY ADMINISTRATORS</b>          |                |
| Kansas resident third party administrators | 29             |
| Non-resident third party administrators    | 329            |
| Self-funded third party administrators     | 41             |
| <b>TOTAL THIRD PARTY ADMINISTRATORS</b>    | <b>399</b>     |

\*Collected for other state agencies (Fire Marshal, EMS and KU) in accordance with K.S.A. 75-1514. Amount not included in net deposit totals.

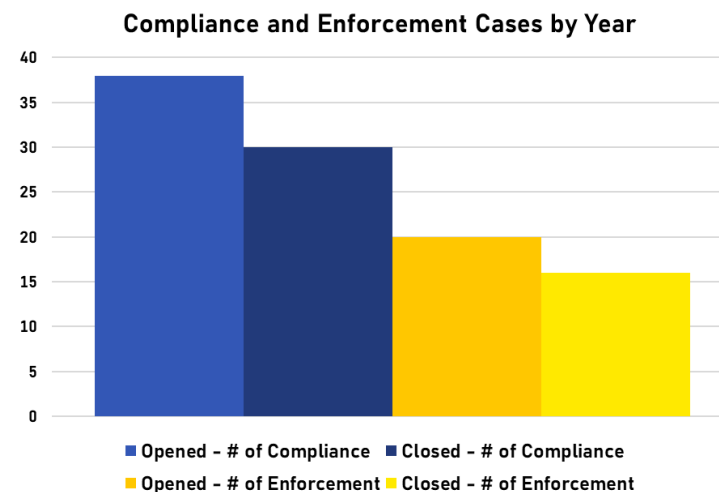
# SERVICES PROVIDED DURING 2022

LICENSES ISSUED, SECURITIES

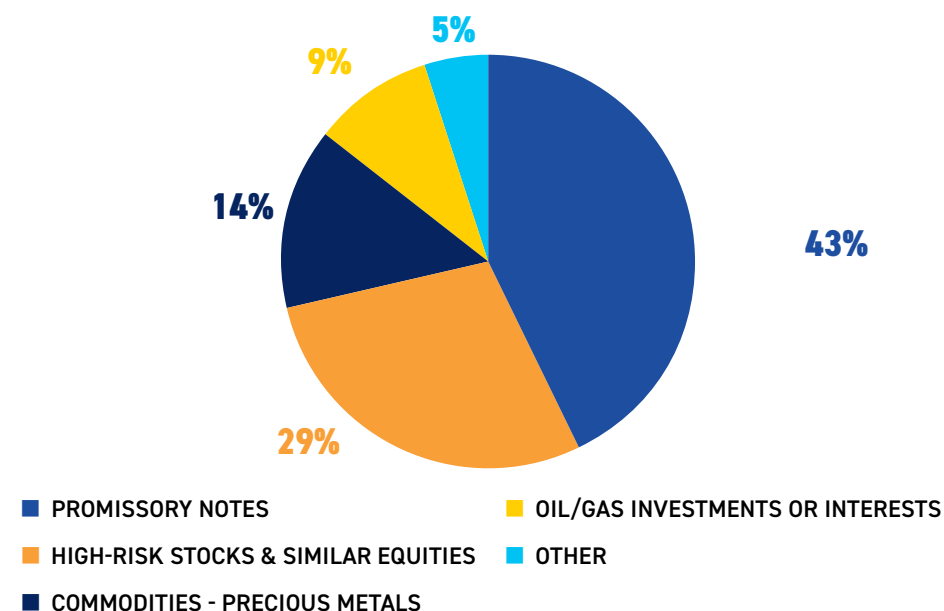
| <b>INVESTMENT ADVISER REPRESENTATIVES</b>                  |                |
|--|----------------|
| New investment adviser representative registrations issued | 1,176          |
| <b>TOTAL INVESTMENT ADVISER REPRESENTATIVES</b>            | <b>6,392</b>   |
| <b>BROKER-DEALER AGENTS</b>                                |                |
| New broker-dealer agent registrations issued               | 39,407         |
| <b>TOTAL BROKER-DEALER AGENTS</b>                          | <b>152,760</b> |
| Total dual registered securities individuals               | 4,407          |
| <b>TOTAL REGISTERED SECURITIES INDIVIDUALS</b>             | <b>154,745</b> |
| <b>STATE REGISTERED INVESTMENT ADVISER FIRMS</b>           |                |
| New investment advisers firm registrations issued          | 35             |
| <b>TOTAL INVESTMENT ADVISER FIRMS REGISTERED</b>           | <b>225</b>     |
| <b>BROKER-DEALER FIRMS</b>                                 |                |
| New broker-dealer firm registrations approved              | 86             |
| <b>TOTAL BROKER-DEALER FIRMS REGISTERED</b>                | <b>1,439</b>   |
| <b>NOTICE FILED INVESTMENT ADVISER FIRMS</b>               |                |
| New notice filed investment adviser firms reviewed         | 148            |
| <b>TOTAL NOTICE FILED INVESTMENT ADVISER FIRMS</b>         | <b>1,297</b>   |
| <b>FINES &amp; RESTITUTION ORDERED</b>                     |                |
| Fines ordered  | \$12,500       |
| Restitution ordered  | \$1,909,296    |

## Compliance and Enforcement Cases by Year

Compliance: Civilian staff conducting compliance examinations of registered firms and individuals. Enforcement: Law enforcement staff conducting investigations into generally unregistered individuals engaged in securities fraud.



## Investment Fraud Cases Investigated





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