



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

---

**FOR IMMEDIATE RELEASE**

Oct. 17, 2008

*For more information, contact:*

Bob Hanson  
Public Information Officer  
785-296-7807  
bhanson@ksinsurance.org

## Kansas Insurance Department monitoring Brooke issues throughout agency's divisions

TOPEKA, Kan. – The Kansas Insurance Department (KID) is following up on consumer inquiries and closely monitoring the legal issues surrounding Brooke Corp. and its insurance-related affiliates, said Sandy Praeger, Commissioner of Insurance.

Commissioner Praeger also said the department is interacting with the corporation's appointed special master and staff members regarding contractual concerns between the corporation and its franchisees. The insurance department does not have regulatory oversight in those contractual matters.

However, the Commissioner said that customers who paid premiums to those agents and agencies are considered to have coverage.

“Our consumer assistance, legal, financial surveillance, producers (agents/company) and anti-fraud divisions within the agency continue to receive phone calls regarding the Brooke situation,” Commissioner Praeger said. “There are many concerns from Brooke agents regarding their contractual issues and inquiring about their clients' well-being. We want consumers to know that we will advocate for policyholders in every instance that we can. We are proceeding with the consideration that policyholders have insurance in force.”

Brooke Corp., an Overland Park-based company with operations in almost half of the United States, operates an insurance agency franchise business, along with several related corporations. Currently, lawsuits filed by financial institutions against Brooke Corp. concern loan contracts. A federal judge gave former Jackson County (Mo.) prosecutor Albert Riederer control of Brooke on Sept. 15. Riederer is acting as a special master in handling Brooke business and dealing with lawsuits filed concerning loan agreements with banks.

-More-

“Those Brooke lawsuits deal with contractual issues that are not part of the insurance department’s regulatory authority,” Commissioner Praeger said. “Mr. Riederer has met with our department personnel here in our office and, through weekly calls, is keeping us posted on activities. We have always reminded him that premiums for policyholders were first priority and should be forwarded to the insurance carriers.”

“We will step in as needed when our regulatory control allows us,” the Commissioner said.

-30-

*The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at [www.ksinsurance.org](http://www.ksinsurance.org).*