



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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**FOR IMMEDIATE RELEASE**

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## Legal issues of Kansas company on insurance department's radar

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

Commissioner Praeger said the department's financial surveillance division has been in touch with Kansas insurance companies whose business is written by Brooke agents in Kansas through Brooke Agency Services Co. LLC.

“Our division personnel contacted Kansas-based companies to determine if they have encountered any issues with receiving premiums from their customers,” Commissioner Praeger said. “From what we have gathered, those companies direct bill the policyholders.”

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, two lawsuits filed by financial institutions against the Brooke Corp. — one in Kansas and one in New York — concern loan contracts. The company has recently cut its work force, consolidated operations in its Phillipsburg, Kan., support center and sought investment counseling.

“Those Brooke lawsuits deal with contractual issues that are not part of the insurance department's regulatory authority,” Commissioner Praeger said, “but we continue to monitor for any potential problems that could concern Kansas consumers and policyholders.”

Several companies told KID officials they would keep the department posted about any concerns with Brooke Corp.

Additionally, the department is conducting a review of the proposed sale of First Life America Corp. to a Tulsa, Okla., firm. First Life America is a Topeka-based life insurance company that is a Brooke Corp. subsidiary.

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*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).*