



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

BULLETIN 2007-3

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

FROM: Sandy Praeger
Commissioner of Insurance

DATE: March 22, 2007

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

This is to advise that our Kansas Alternative Mediation Program (K.A.M.P.) has been renewed for an additional five (5) calendar years. As our previous Bulletin 2004-2 indicated, the 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 possible lowering of claim adjustment expenses on unresolved claims.

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 the K.A.M.P., the case is referred to the Kansas Insurance Department (“KID”) contract mediator for resolution. Only if the matter cannot be resolved through the K.A.M.P. would the dispute refer back to our Consumer Assistance Division to open 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 the 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 participating insurance company in the K.A.M.P. The mediation hourly charge is eighty-five dollars (\$85) for the first one and one-half (1&1/2) hours and fifty (\$50) per hour thereafter. After the mediator has been assigned one hundred (100) mediations per calendar year, the above amounts are reduced to \$75 for the first 1&1/2 hours and \$55 per hour thereafter. An administrative hourly charge of twenty-five dollars (\$25) applies per mediation, as well as any mileage per diem costs as allowed by the State of Kansas.

Since the K.A.M.P.'s pilot and initial contract annual terms, most recently concluded in 2006, the average mediation per assigned case to the mediator has only taken one (1) to one and one-half (1&1/2) hours to reach resolution.

A Kansas Alternative Mediation Program Insurance Company Mediation Agreement is attached for insurance company participation. Please complete and return to the Kansas Insurance Department – Consumer Assistance Division – 420 SW 9th – Topeka, KS 66612 or send by facsimile to 785-296-5806.

If you have any questions, please contact Daryl C. Richardson, Manager – Property/Casualty Unit of the Consumer Assistance Division, Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas 66612 at 785-296-7829 or via email at drichard@ksinsurance.org.