



Kansas Insurance Department

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FOR IMMEDIATE RELEASE

July 19, 2018

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Insurance Department files injunction to stop state from sweeping fund money

Topeka, KS—The Kansas Insurance Department Thursday filed a motion for a temporary injunction in Shawnee County District Court to stop the State of Kansas from sweeping more than \$16 million from the department’s Service Regulation Fee Fund.

The motion follows the department’s petition filed July 13 asking the district court to declare the sweeps in violation of Kansas law. That action limited the use of certain fee funds for the purposes set forth in the Kansas Statutes concerning the funds, and for no other governmental purpose.

According to the filing, “A Temporary Injunction is in the public interest because consumers will be harmed if (insurance) companies are forced to pass additional assessments on to them in increased premiums.”

The petition and temporary injunction stem from legislation — 2017 Senate Substitute for House Bill 2002 — that authorized the sweep of \$8 million in fiscal year (FY) 2018 and \$8 million in FY 2019, all from the Service Regulation Fee Fund. The 2018 Kansas Legislature took appropriate action to reverse the FY2019 sweep. However, Governor Jeff Colyer vetoed the reversal of the FY2019 sweep.

The fee fund is a major portion of the department’s operating budget.

In a May 2018 insurance department news release concerning the governor’s budget decision, the action was labeled as a violation of state law.

Both the petition and the injunction pleadings are on the department’s website, www.ksinsurance.org, under “Help with Finding laws, regulations, orders, bulletins.”

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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 or at www.facebook.com/kansasinsurancedepartment.