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September 18, 2025

ATTORNEY GENERAL OPINION NO. 2025-22

The Honorable Vicki Schmidt
Kansas Insurance Commissioner
Kansas Department of Insurance
1300 SW Arrowhead Road
Topeka, Kansas 66604

Re: Insurance—Public Adjusters Licensing Act—Definitions

Insurance—Public Adjusters Licensing Act—License Required;
Limitations; Exceptions

Synopsis: The Public Adjusters Licensing Act defines public adjusting only in the context of helping to settle first-party claims under commercial lines insurance contracts. Because the Act has a narrow focus and does not prohibit public adjusting for claims under other types of insurance contracts, the Act neither regulates nor prohibits public adjusting for claims arising under residential lines insurance contracts. Cited herein: K.S.A. 40-5502; 40-5503.

* * *

Dear Commissioner Schmidt:

As Kansas Insurance Commissioner, you ask whether the Public Adjusters Licensing Act prohibits residential public adjusting, or whether this practice is unregulated by the Act.¹ Public adjusters, generally speaking, are hired by policyholders (as opposed to insurance companies) to assist them in the claims

¹ K.S.A. 40-5501 *et seq.*

settlement process.² Although the general practice of public adjusting is not necessarily limited to certain types of insurance policies, the Act only addresses public adjusting for first-party claims under “commercial lines insurance contracts.”³ As explained below, our analysis concludes that the Act neither prohibits nor regulates public adjusting for residential lines insurance contracts.

Your question turns on statutory interpretation. In this exercise, we look to the “plain and unambiguous” meaning of the relevant statutes.⁴ We can neither “speculate” nor “read into the statute[s] language not readily found there.”⁵ Statutory interpretation must strive, “as far as practicable, to reconcile the different [statutory] provisions [of the Act] so as to make them consistent, harmonious, and sensible.”⁶

In 2009, the Kansas Legislature passed the Act to “govern the qualifications and procedures for the licensing of public adjusters” and to “specif[y] the duties of and restrictions on public adjusters.”⁷ In other words, the Act, as its name suggests, is a licensing law. K.S.A. 40-5502(l) provides:

“Public adjuster” means any individual who:

(1) For compensation or any other thing of value, and solely in relation to first party claims arising under insurance claims or contracts that insure the real or personal property of the insured, aids or acts on behalf of an insured in negotiating for, or effecting the settlement of, a claim for loss or damage *covered by and limited to commercial lines insurance contracts*;

(2) advertises for employment as a public adjuster of insurance claims or directly or indirectly solicits business or represents to the public that such person is a public adjuster of first party insurance claims for losses or damages to real or personal property *covered by and limited to commercial lines insurance contracts*; or

(3) for compensation or any other thing of value, investigates or adjusts losses or advises an insured about first party claims for losses or damages to real or personal property of the insured *covered by and*

² See 46A C.J.S. *Insurance* § 1883 (May 2025 update) (“Public adjusters are hired to assist in presenting a claim to an insurance company and to assist in any dispute that might arise.”); cf. K.S.A. 40-5514(f)(2) (discussing respective roles of company, independent, and public adjusters).

³ K.S.A. 40-5502(l)(1); see also K.S.A. 40-5502(l)(2), (3) (materially similar).

⁴ *In re Est. of Strader*, 301 Kan. 50, 55, 339 P.3d 769 (2014) (internal quotation marks omitted).

⁵ *Id.* (internal quotation marks omitted).

⁶ *In re Marriage of Ross*, 245 Kan. 591, 584, 783 P.2d 331 (1989).

⁷ K.S.A. 40-5501.

limited to commercial lines insurance contracts, for another person engaged in the business of adjusting losses or damages *covered by and limited to commercial lines insurance contracts*.⁸

K.S.A. 40-5503(a) mandates that “[a] person shall not act as or represent that such person is a public adjuster in this state unless the person is an individual licensed as a public adjuster in accordance with this act.” In other words, unlicensed individuals may not aid or act on behalf of insureds in seeking to settle first-party claims under commercial lines insurance contracts.

Together, K.S.A. 40-5502(l) and K.S.A. 40-5503(a) establish that the Act is limited to licensing and regulating public adjusting only for first-party claims arising under commercial lines insurance contracts. The plain text of the Act provides that it is a limited licensing regulation targeting a certain type of public adjusting. There is no corresponding prohibition against, nor any references to, public adjusting outside commercial lines insurance contracts. There also is not any provision or indication that the Legislature intended to prohibit public adjusting for all types of claims except for first-party claims under commercial lines insurance contracts. Accordingly, it would be inappropriate to read such a prohibition into the Act.⁹ Therefore, the Act does not address, and does not prohibit, residential public adjusting.

We note that K.S.A. 40-5503(c) provides certain instances when “a license as a public adjuster shall not be required.” And some of the exceptions are not necessarily confined to instances where insureds seek assistance with first-party claims under commercial lines insurance contracts.¹⁰ Arguably, this could indicate that the Act prohibits public adjusting outside the narrow, licensed exception. But given K.S.A. 40-5502(l)’s narrow focus and the lack of any prohibition on public adjusting in other contexts, we believe this argument isolates and puts too much weight on the exceptions, resulting in a strained interpretation of the Act.¹¹ If the exceptions are broader than necessary, the Legislature may have “employed a belt and suspenders approach” to ensure certain practices are not accidentally caught up in the Act.¹²

⁸ (emphases added).

⁹ See *In re Est. of Strader*, 301 Kan. at 55.

¹⁰ K.S.A. 40-5503(c).

¹¹ See *State v. Wilson*, 267 Kan. 550, 557, 987 P.2d 1060 (1999) (recognizing “that courts will not give strained meanings to legislative language through a process of imaginative hypothesizing; a common-sense interpretation of the statute is the guiding principle”).

¹² See *Atl. Richfield Co. v. Christian*, 590 U.S. 1, 14 n.5 (2020); cf. *Rimini St., Inc. v. Oracle USA, Inc.*, 586 U.S. 334, 346 (2019) (“Sometimes the better overall reading of the statute contains some redundancy.”).

In conclusion, the Act neither regulates nor prohibits public adjusting for claims under residential lines insurance contracts. We note, however, that public adjusting outside the Act is not wholly unrestrained. Public adjusting, whether under the Act or not, cannot cross over into the unauthorized practice of law, and public adjusters are subject to liability under the Kansas Consumer Protection Act if they engage in unlawful conduct toward consumers.¹³

Sincerely,

/s/ Kris W. Kobach

Kris W. Kobach
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/s/ Adam T. Steinhilber

Adam T. Steinhilber
Assistant Solicitor General

¹³ See generally *State ex rel. Stovall v. Martinez*, 27 Kan. App. 2d 9, 996 P.2d 371 (2000).