

April 24, 2024

Kemper market withdrawal update

PIA has received reports from association members who are being denied the ability to fully process endorsements on Kemper's online "AgentInside" portal due to their status as a "terminated agent."

PIA subsequently reached out to the New York State Department of Financial Services to get some answers.

What is happening?

PIA has learned that Kemper advised the DFS that, as part of its plan to exit the market in New York, Kemper's technology partners began making system adjustments in support of the communication that Kemper intends to distribute by the end of the month to agents regarding the constructive termination of their agency agreements and changes in commission structure (more on both issues below). As part of these adjustments, agent/agency status was changed to 'terminated' within Kemper's system.

Have I been terminated?

No, not yet. While Kemper agents can expect to receive a notice of termination, the change in terminated status on Kemper's "AgentInside" portal is not sufficient to terminate an agency agreement. PIANY's legal staff has done an extensive review of Kemper's agency agreement. The carrier is required to provide advance written notice to agents of a termination. The amount of notice may vary, as some Kemper contracts require as short as 10 days' advance notice while others require up to 180 days' advance notice. Those with contracts that require only 10 days' notice, be aware that New York regulation requires carriers to provide at least 30 days' notice of termination (N.Y. Comp. Codes R. & Regs. Tit. 11 Section 218.4). If you are interested in what your Kemper contract states, [send it to PIA for review](#).

How do I make changes to policies?

This status change does not prevent agents from servicing policies. However, it does add an extra step as changes must now first be approved by the underwriting department.

What's going on with my commissions?

With the DFS's determination that Kemper was reducing agency commissions as a method of withdrawing from the marketplace, Kemper became legally obligated to reinstate commissions to the levels they were prior to the commission cut in October. You should receive a notice by the end of April indicating your commission level and retroactive date of reinstatement.

What should I expect next?

In addition to the termination and commission notices, agencies should expect their clients to receive a notice from Kemper notifying them that Kemper has terminated its relationship with your agency. This notice is required by law.

Kemper's previously announced plans to end electronic download of policy data and commission statements has not changed.

PIANY recommends that agencies send out their own notices to clients about the pending termination. Samples can be found here:

- [Private-passenger auto](#)
- [Personal lines \(other than automobile\)](#)

More information on agency termination can be found in [PIA QuickSource document No. QS31052](#).