

**HOUSE BILL No. 2537**

By Committee on Judiciary

1-25

1 AN ACT concerning the insurance department; relating to the Kansas  
2 administrative procedure act; requiring a hearing at the request of any  
3 person subject to an order; amending K.S.A. 40-281 and repealing the  
4 existing section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 40-281 is hereby amended to read as follows: 40-  
8 281. (a) The commissioner of insurance is hereby authorized to hold a  
9 fact-finding hearing on any matter relating to the business of insurance;  
10 whenever ~~he~~ *the commissioner* shall have reason to believe that such a  
11 proceeding ~~by him~~ would be in the public interest. The commissioner shall  
12 give to all interested parties reasonable notice of any such hearing, and  
13 ~~said~~ *such* notice shall contain the time, place and purpose of the hearing.  
14 Notice of the hearing may be sent by registered mail, and any hearing held  
15 in accordance with notice thereof shall not be affected by the failure of any  
16 party to attend or remain in attendance.

17 (b) At the time and place fixed for such hearing, all interested parties  
18 shall have an opportunity to be heard and to present such material as the  
19 commissioner deems relevant to the matter at issue, but the observance of  
20 formal rules of pleading or evidence at any such hearing shall not be  
21 required unless requested by any party subpoenaed to appear at such  
22 hearing. The commissioner may adjourn any hearing from time to time by  
23 announcement thereof at the hearing.

24 (c) The commissioner, upon such hearing, may administer oaths,  
25 examine and cross-examine witnesses, receive oral and documentary  
26 evidence; and shall have the power to subpoena witnesses, compel their  
27 attendance, and require the production of books, papers, records,  
28 correspondence or other documents deemed relevant to the inquiry. In case  
29 of a refusal of any person to comply with any subpoena issued hereunder  
30 or to testify with respect to any matter concerning which ~~he~~ *such person*  
31 may be lawfully interrogated, the district court of Shawnee county or the  
32 county where such person resides, on application of the commissioner,  
33 may issue an order requiring such person to comply with such subpoena  
34 and to testify, and any failure to obey any such order of the court may be  
35 punished by the court as a contempt thereof. The commissioner may cause  
36 to be made a stenographic record of all the evidence and all of the

1 proceedings had at any such hearing.

2 (d) *A person subject to any order, as defined in K.S.A. 77-502, and*  
3 *amendments thereto, issued by the commissioner may request a hearing on*  
4 *such order. If such a request is made, the commissioner shall conduct a*  
5 *hearing in accordance with the provisions of the Kansas administrative*  
6 *procedure act.*

7 (e) Nothing in this act shall be construed as affecting the filing of  
8 rates required by articles 9 and 11 of chapter 40 of the Kansas Statutes  
9 Annotated, *and amendments thereto.*

10 Sec. 2. K.S.A. 40-281 is hereby repealed.

11 Sec. 3. This act shall take effect and be in force from and after its  
12 publication in the statute book.