

SENATE BILL No. 335

By Committee on Financial Institutions and Insurance

1-13

1 AN ACT concerning insurance; relating to accident and health insurance;
2 exempting certain qualified trade, merchant, retail and professional
3 associations and business leagues that provide health insurance in the
4 state but are not subject to the jurisdiction of the commissioner of
5 insurance from payment of the annual premium tax; amending K.S.A.
6 40-2222b and repealing the existing section.
7

8 *Be it enacted by the Legislature of the State of Kansas:*

9 Section 1. K.S.A. 40-2222b is hereby amended to read as follows: 40-
10 2222b. (a) (1) *Except as provided in subsection (b), as a condition*
11 *precedent to continuation of the exemption provided by K.S.A. 40-2222,*
12 *and amendments thereto, each person or entity described in K.S.A. 40-*
13 *2222, and amendments thereto, shall, no later than May 1 of each year, pay*
14 *a tax at the rate of 1% per annum upon the annual Kansas gross premium*
15 *collected during the preceding calendar year. For persons or entities that*
16 *have a principal office within a metropolitan area that has boundaries in*
17 *Kansas and associations that have their principal office located within the*
18 *borders of this state and offer policies to non-residents of Kansas, the tax*
19 *owed under this section shall be based upon the gross premium collected*
20 *during the preceding year relating to health benefit plans issued to*
21 *members that have a principal place of business in Kansas. In the*
22 *computation of the tax, such persons or entities shall be entitled to deduct*
23 *any annual Kansas gross premiums returned on account of cancellation or*
24 *dividends returned to members or expenditures used for the purchase of*
25 *reinsurance or stop-loss coverage.*

26 (b)(2) Every person or entity subject to taxation under the provisions
27 of this ~~section~~ subsection shall pay the tax imposed and make a return
28 under oath to the commissioner of insurance under such rules and
29 regulations and in such form and manner as the commissioner may
30 prescribe.

31 (b) *A person or entity described in K.S.A. 40-2222, and amendments*
32 *thereto, shall be exempt from subsection (a) if it provides health benefits*
33 *through a self-funded health plan and is therefore exempt from the*
34 *jurisdiction of the commissioner pursuant to the employee retirement*
35 *income security act of 1974, as in effect on July 1, 2022.*

36 Sec. 2. K.S.A. 40-2222b is hereby repealed.

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