

HOUSE BILL No. 2093

AN ACT concerning insurance; relating to certain group-funded insurance pools and certain municipal insurance coverage; discontinuing payments paid to the group-funded pools fee fund and the group-funded workers' compensation fee fund; transferring such balances and abolishing such funds; establishing the group-funded pools refund fund; refunding the balance thereof and abolishing such fund on July 1, 2024; adjusting the basis upon which certain premium tax calculations are made; requiring such premium taxes to be paid 90 days after each calendar year and basing such premium taxes upon the gross premiums collected for the previous calendar year; adding fire districts to the definition of "municipality" for purposes of the payment of COBRA premiums under certain circumstances; amending K.S.A. 12-2624, 40-1709 and 44-588 and repealing the existing sections; also repealing K.S.A. 12-2623 and 44-587.

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

New Section 1. (a) There is hereby established in the state treasury the group-funded pools refund fund.

(b) (1) Moneys in the group-funded pools refund fund shall be used only for the purpose of refunding entities that have paid into the group-funded pools fee fund, pursuant to K.S.A. 12-2623, prior to its repeal, and the group-funded workers' compensation fee fund, pursuant to K.S.A. 44-587, prior to its repeal.

(2) Refunds shall be distributed on a pro-rata basis, based upon premium taxes paid by each entity in the 2022 fiscal year.

(3) All expenditures from the group-funded pools refund fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the commissioner of insurance or the commissioner's designee.

(c) On July 1, 2023:

(1) The director of accounts and reports shall transfer all moneys in the group-funded pools fee fund, established pursuant to K.S.A. 12-2623, prior to its repeal, and the group-funded workers' compensation fee fund, established pursuant to K.S.A. 44-587, prior to its repeal, to the group-funded pools refund fund;

(2) all liabilities of the group-funded pools fee fund and the group-funded workers' compensation fee fund are hereby transferred to and imposed on the group-funded pools refund fund; and

(3) the group-funded pools fee fund and the group-funded workers' compensation fee fund are hereby abolished.

(d) On July 1, 2024, the group-funded pools refund fund is hereby abolished.

Sec. 2. K.S.A. 12-2624 is hereby amended to read as follows: 12-2624. In addition to the fees required to be paid in K.S.A. ~~12-2622~~ 12-2623, and amendments thereto, and as a condition precedent to the continuation of the certificate of authority provided in this act, all group-funded pools shall pay ~~no~~ not later than 90 days after the end of each ~~fiscal~~ calendar year a tax upon the annual Kansas gross premium collected by the pool at the rate of 1% per annum applied to the collective premium relating to all Kansas members of the pool for the preceding ~~fiscal~~ calendar year. In the computation of the tax, all pools shall be entitled to deduct any annual Kansas gross premiums returned on account of cancellation or dividends returned to members of such pools or expenditures used for the purchase of specific and aggregate excess insurance, as provided in ~~subsection~~ (h) of K.S.A. 12-2618(h), and amendments thereto.

Sec. 3. K.S.A. 40-1709 is hereby amended to read as follows: 40-1709. (a) (1) Except as provided in paragraph (2), whenever a municipality provides for the payment of premiums for any health benefit plan for its firefighters, it shall pay premiums for the continuation of coverage under COBRA for the surviving spouse and eligible dependent children under the age of 26 years of a firefighter who dies in the line of duty. Premiums for continuation of coverage under COBRA shall be paid for 18 months.

(2) A municipality may not be required to pay the premiums described in paragraph (1) for a surviving spouse:

(A) On or after the end of the 18th calendar month after the date of

death of the deceased firefighter;

(B) upon the remarriage of the deceased firefighter's surviving spouse; or

(C) upon the deceased firefighter's surviving spouse reaching the age of 65.

(b) For the purposes of this section:

(1) "Firefighter" means an actual member of an organized fire department, of a municipality, whether regular or volunteer.

(2) "Health benefit plan"—~~shall have the meaning ascribed to it means the same as defined~~ in K.S.A. 40-4602, and amendments thereto.

(3) "Municipality" means a city, county, *fire district* or township.

(4) ~~"Postsecondary educational institution" shall have the meaning ascribed to it in K.S.A. 74-3201b, and amendments thereto.~~

Sec. 4. K.S.A. 44-588 is hereby amended to read as follows: 44-588. ~~In addition to the fees required to be paid in K.S.A. 44-587, and amendments thereto, and~~ As a condition precedent to the continuation of the certificate of authority provided in this act, all group-funded workers' compensation funds shall pay ~~no~~ not later than 90 days after the end of each *fiscal calendar* year a tax upon the annual Kansas gross premium collected by the pool at the rate of 1% per annum applied to the collective premium relating to all Kansas members of the pool for the preceding *fiscal calendar* year. In the computation of the tax, all pools shall be entitled to deduct any annual Kansas gross premiums returned on account of cancellation or dividends returned to members of such pools or expenditures used for the purchase of specific and aggregate excess insurance, as provided in ~~subsection (a)~~ of K.S.A. 44-582(a), and amendments thereto.

Sec. 5. K.S.A. 12-2623, 12-2624, 40-1709, 44-587 and 44-588 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the
HOUSE, and was adopted by that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.