

SENATE BILL No. 85

AN ACT concerning insurance; relating to the licensing and registration of limited lines travel insurance producers and travel retailers; relating to insurance for state employees; enacting the Kansas travel insurance act; establishing a premium tax for travel insurers; regulating the sale and marketing of travel insurance and travel protection plans; providing for travel administrators; establishing standards for travel insurance policies; eliminating the requirement that the Kansas state employee health care commission offer long-term care insurance and indemnity insurance; amending K.S.A. 40-4903 and 75-6513 and repealing the existing sections; also repealing K.S.A. 75-6521, 75-6522 and 75-6523.

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

New Section 1. (a) Sections 1 through 10, and amendments thereto, shall be known and may be cited as the Kansas travel insurance act.

(b) The Kansas travel insurance act shall be a part of and supplemental to article 2 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 2. (a) The purpose of this act is to promote the public welfare by establishing a comprehensive legal framework within which travel insurance may be sold.

(b) The requirements of this act shall apply to travel insurance that covers any resident of this state, that is sold, solicited, negotiated or offered in this state and policies and certificates that are delivered or issued for delivery in this state. This act shall not apply to cancellation fee waivers or travel assistance services except as expressly provided in this act.

(c) All other applicable provisions of the insurance laws of this state shall apply to travel insurance except that the specific provisions of this act shall supersede any general provisions of law that would otherwise be applicable to travel insurance.

New Sec. 3. As used in Kansas travel insurance act:

(a) "Act" means the Kansas travel insurance act.

(b) "Aggregator site" means a website that provides access to information regarding insurance products from more than one insurer, including product and insurer information, for use in comparison shopping.

(c) "Blanket travel insurance" means a policy of travel insurance issued to any eligible group providing coverage for specific classes of persons defined in the policy with coverage provided to all members of the eligible group without a separate charge to individual members of the eligible group.

(d) "Cancellation fee waiver" means a contractual agreement between a supplier of travel services and its customer to waive some or all of the non-refundable cancellation fee provisions of the supplier's underlying travel contract with or without regard to the reason for the cancellation or form of reimbursement. "Cancellation fee waiver" is not insurance.

(e) "Commissioner" means the commissioner of insurance.

(f) "Delivery" means handing fulfillment materials to the policyholder or certificate holder or sending such fulfillment materials to the policyholder or certificate holder using United States mail or electronic means.

(g) "Eligible group" means two or more persons who are engaged in a common enterprise, or have an economic, educational or social affinity or relationship, including but not limited to, the following:

(1) (A) Any entity engaged in the business of providing travel or travel services, including but not limited to: (i) Tour operators; (ii) lodging providers; (iii) vacation property owners; (iv) hotels and resorts; (v) travel clubs; (vi) travel agencies; (vii) property managers; (viii) cultural exchange programs; and (ix) common carriers or the operator, owner or lessor of a means of transportation of passengers, including, but not

limited to, airlines, cruise lines, railroads, steamship companies and public bus carriers;

(B) With regard to any particular travel or type of travel or travelers, all members or customers of the eligible group shall have a common exposure to risk attendant to such travel;

(2) colleges, schools or other institutions of learning, covering students, teachers, employees or volunteers;

(3) employers covering groups of employees, volunteers, contractors, boards of directors, dependents or guests;

(4) sports teams, camps or sponsors thereof, covering participants, members, campers, employees, officials, supervisors or volunteers;

(5) religious, charitable, recreational, educational or civic organizations or branches thereof, covering groups of members, participants or volunteers;

(6) financial institutions or financial institution vendors or parent holding companies, trustees or agents of, or designated by, one or more financial institutions or financial institution vendors, including account holders, credit card holders, debtors, guarantors or purchasers;

(7) incorporated or unincorporated associations, including labor unions, that have a common interest, constitution and bylaws, and are organized and maintained in good faith for purposes other than obtaining insurance for members or participants of such association covering its members;

(8) trusts or trustees of a fund established, created or maintained for the benefit of and covering members, employees or customers, subject to the commissioner permitting the use of a trust and the premium tax provisions described in section 5, and amendments thereto, of one or more associations described in paragraph (7);

(9) entertainment production companies covering participants, volunteers, audience members, contestants or workers;

(10) volunteer fire departments, ambulances, rescues, police, courts or any first aid, civil defense or other such volunteer groups;

(11) preschools, daycare institutions for children or adults and senior citizen clubs;

(12) automobile or truck rental or leasing companies covering groups of individuals who may become renters, lessees or passengers defined by their travel status on the rented or leased vehicles. The common carrier, the operator, owner or lessor of a means of transportation or the automobile or truck rental or leasing company, shall be the policyholder under a policy to which this section applies; or

(13) any other group whereby the commissioner has determined that the members are engaged in a common enterprise, or have an economic, educational or social affinity or relationship and that issuance of the policy would not be contrary to the public interest.

(h) "Fulfillment materials" means documentation sent to the purchaser of a travel protection plan that confirms the purchase and provides details of the coverage and assistance of the travel protection plan.

(i) "Group travel insurance" means travel insurance issued to any eligible group.

(j) "Limited lines travel insurance producer" means a:

(1) Licensed managing general agent or third-party administrator;

(2) licensed insurance producer, including a limited lines producer; or

(3) travel administrator.

(k) "Offer and disseminate" means providing general information including a description of the coverage and price, as well as processing of the application and collecting premiums.

(l) "Primary certificate holder" means an individual person who

elects and purchases travel insurance under a group policy.

(m) "Primary policyholder" means an individual person who elects and purchases individual travel insurance.

(n) "Travel administrator" means a person who directly or indirectly underwrites, collects charges, collateral or premiums from, or adjusts or settles claims on, residents of this state in connection with travel insurance. "Travel administrator" does not include the following:

(1) An individual working for a travel administrator to the extent that the person's activities are subject to the supervision and control of the travel administrator;

(2) an insurance producer selling insurance or engaged in administrative and claims-related activities within the scope of the producer's license;

(3) a travel retailer offering and disseminating travel insurance and registered under the license of a limited lines travel insurance producer in accordance with this act;

(4) an individual adjusting or settling claims in the normal course of such individual's practice or employment as an attorney-at-law and who does not collect charges or premiums in connection with insurance coverage; or

(5) a business entity that is affiliated with a licensed insurer while acting as a travel administrator for the direct and assumed insurance business of an affiliated insurer.

(o) "Travel assistance services" means non-insurance services for which the consumer is not indemnified based on a fortuitous event and where providing the service does not result in transfer or shifting of risk that would constitute the business of insurance. Travel assistance services include, but are not limited to:

- (1) Security advisories;
- (2) destination information;
- (3) vaccination and immunization information services;
- (4) travel reservation services;
- (5) entertainment;
- (6) activity and event planning;
- (7) translation assistance;
- (8) emergency messaging;
- (9) international legal and medical referrals;
- (10) medical case monitoring;
- (11) coordination of transportation arrangements;
- (12) emergency cash transfer assistance;
- (13) medical prescription replacement assistance;
- (14) passport and travel document replacement assistance;
- (15) lost luggage assistance;
- (16) concierge services; and
- (17) any other service that is furnished in connection with planned travel.

Travel assistance services are not insurance and are not related to insurance.

(p) (1) "Travel insurance" means insurance coverage for personal risks incidental to planned travel, including:

- (A) Interruption or cancellation of a trip or event;
- (B) loss of baggage or personal effects;
- (C) damages to accommodations or rental vehicles;
- (D) sickness, accident, disability or death occurring during travel;
- (E) emergency evacuation;
- (F) repatriation of remains; or
- (G) any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the commissioner.

(2) "Travel insurance" does not include major medical plans that

provide comprehensive medical protection for travelers with trips lasting longer than six months, including those working or residing overseas as an expatriate or any other product that requires a specific insurance producer license.

(q) "Travel protection plans" means plans that provide one or more of the following:

- (1) Travel insurance;
- (2) travel assistance services; or
- (3) cancellation fee waivers.

(r) "Travel retailer" means a business entity that makes, arranges or offers planned travel and may offer and disseminate travel insurance as a service to its customers on behalf of and under the direction of a limited lines travel insurance producer.

New Sec. 4. (a) The commissioner may issue a limited lines travel insurance producer license to an individual or business entity that has filed with the commissioner an application for a limited lines travel insurance producer license in a form and manner prescribed by the commissioner. Such limited lines travel insurance producer shall be licensed to sell, solicit or negotiate travel insurance through a licensed insurer. No person shall act as a limited lines travel insurance producer or travel insurance retailer unless properly licensed or registered, respectively.

(b) A travel retailer may offer and disseminate travel insurance under a limited lines travel insurance producer business entity license only if the following conditions are met:

(1) The limited lines travel insurance producer or travel retailer provides to purchasers of travel insurance:

(A) A description of the material terms or the actual material terms of the insurance coverage;

(B) a description of the process for filing a claim;

(C) a description of the review or cancellation process for the travel insurance policy; and

(D) the identity and contact information of the insurer and limited lines travel insurance producer;

(2) the limited lines travel insurance producer shall:

(A) At the time of licensure, have established a register, on a form prescribed by the commissioner, of each travel retailer that offers travel insurance on the limited lines travel insurance producer's behalf. The register shall be maintained and updated by the limited lines travel insurance producer and include the name, address and contact information of the travel retailer and an officer or person who directs or controls the operations of such travel retailer and the federal tax identification number of such travel retailer;

(B) submit such register to the insurance department upon reasonable request; and

(C) certify that the travel retailer registered complies with 18 U.S.C. § 1033. The grounds for the suspension, revocation and penalties applicable to resident insurance producers under K.S.A. 40-4909, and amendments thereto, shall be applicable to limited lines travel insurance producers and travel retailers;

(3) the limited lines travel insurance producer has designated one of its employees, who is a licensed individual producer, as a designated responsible producer responsible for the compliance with the travel insurance laws and regulations applicable to the limited lines travel insurance producer and its registrants;

(4) the designated responsible producer, president, secretary, treasurer and any other officer or person who directs or controls the limited lines travel insurance producer's insurance operations complies with the fingerprinting requirements applicable to insurance producers

in the resident state of the limited lines travel insurance producer;

(5) the limited lines travel insurance producer has paid all applicable licensing fees as required by state law; and

(6) the limited lines travel insurance producer requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which is subject, at the discretion of the commissioner, to review and approval. The training material shall include, but not be limited to, adequate instructions on the types of insurance offered, ethical sales practices and required disclosures to prospective customers.

(c) Any travel retailer offering or disseminating travel insurance shall make available to each prospective purchaser such brochures or other written materials as have been approved by the travel insurer. Such materials shall include, but not be limited to, the following information:

(1) The identity and contact information of the insurer and the limited lines travel insurance producer;

(2) an explanation that the purchase of travel insurance is not required to purchase any other product or service from the travel retailer; and

(3) an explanation that an unlicensed travel retailer is permitted to provide only general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(d) A travel retailer employee or authorized representative, who is not licensed as an insurance producer shall not:

(1) Evaluate or interpret the technical terms, benefits and conditions of the offered travel insurance coverage;

(2) evaluate or provide advice concerning a prospective purchaser's existing insurance coverage; or

(3) hold such travel retailer employee or authorized representative out as a licensed insurer, licensed producer or insurance expert.

(e) Notwithstanding any other provision in law, a travel retailer whose insurance-related activities and the activities of the employees and authorized representatives of such travel retailer are limited to offering and disseminating travel insurance on behalf of and under the direction of a limited lines travel insurance producer that meets the conditions stated in this act is authorized to receive related compensation, upon registration by the limited lines travel insurance producer pursuant to subsection (b)(2).

(f) As the insurer's designee, the limited lines travel insurance producer shall be responsible for the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel retailer with this act.

New Sec. 5. (a) A travel insurer shall pay premium tax, pursuant to K.S.A. 40-252, and amendments thereto, on travel insurance premiums paid by any of the following:

(1) An individual primary policyholder who is a resident of this state;

(2) a primary certificate-holder who is a resident of this state and who elects coverage under a group travel insurance policy; or

(3) a blanket travel insurance policyholder that is a resident of or has its principal place of business or the principal place of business of an affiliate or subsidiary in this state that has purchased blanket travel insurance for eligible blanket group members, subject to any apportionment rules that apply to the insurer across multiple taxing

jurisdictions or that permit the insurer to allocate premium on an apportioned basis in a reasonable and equitable manner in those jurisdictions.

(b) A travel insurer shall:

(1) Document the state of residence or principal place of business of each policyholder or certificate holder described in subsection (a); and

(2) report as premium only the amount allocable to travel insurance and not any amounts received for travel assistance services or cancellation fee waivers.

New Sec. 6. Travel protection plans may combine the features that such travel protection plan offers in this state for one price if:

(a) The travel protection plan clearly discloses to the consumer, at or prior to the time of purchase, that it includes travel insurance, travel assistance services and cancellation fee waivers as applicable and provides information and an opportunity, at or prior to the time of purchase, for the consumer to obtain additional information regarding the features and pricing of each; and

(b) the fulfillment materials:

(1) Describe and delineate the travel insurance, travel assistance services and cancellation fee waivers in the travel protection plan; and

(2) include the travel insurance disclosures and contact information for persons providing travel assistance services and cancellation fee waivers, as applicable.

New Sec. 7. (a) Each person offering travel insurance to residents of this state shall be subject to the unfair trade practice law, K.S.A. 40-2401 et seq., and amendments thereto, except as otherwise provided in this section. In the event of a conflict between this act and other provisions of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, regarding the sale and marketing of travel insurance and travel protection plans, the provisions of this act shall control.

(b) Offering or selling a travel insurance policy that could never result in payment of any claims for any insured under the policy is an unfair trade practice under the unfair trade practice law, K.S.A. 40-2401 et seq., and amendments thereto.

(c) Each person that offers travel insurance policies or travel protection plans shall comply with the following:

(1) All documents provided to a consumer prior to the purchase of travel insurance, including, but not limited to, sales materials, advertising materials and marketing materials, forms, endorsements, policies, rate filings and certificates of insurance, shall be consistent with the travel insurance policy itself, including, but not limited to, forms, endorsements, policies, rate filings and certificates of insurance;

(2) for each travel insurance policy or certificate that contains pre-existing condition exclusions, information and an opportunity to learn more about such pre-existing condition exclusions shall be provided to the consumer at any time prior to the time of purchase and in the coverage's fulfillment materials;

(3) the fulfillment materials and the information described in section 4(b)(1), and amendments thereto, shall be provided to a policyholder or certificate holder as soon as practicable, following the purchase of a travel protection plan. Unless the policyholder or certificate holder has either started a covered trip or filed a claim under the travel insurance coverage, such policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price from the date of purchase of a travel protection plan until at least:

(A) 15 days following the date of delivery of the travel protection

plan's fulfillment materials by postal mail; or

(B) 10 days following the date of delivery of the travel protection plan's fulfillment materials by means other than postal mail;

(4) the company shall disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage; and

(5) where travel insurance is marketed directly to a consumer through an insurer's website or by others through an aggregator site, it shall not be an unfair trade practice or other violation of law where an accurate summary or short description of coverage is provided on the web page, so long as the consumer has access to the full provisions of the policy through electronic means.

(d) No person offering, soliciting or negotiating travel insurance or travel protection plans on an individual or group basis may do so by using a negative option or opt out, that would require a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form, when the consumer purchases a trip.

(e) It shall be an unfair trade practice to market blanket travel insurance coverage as free.

(f) Where the jurisdiction of a consumer's destination requires insurance coverage, it shall not be an unfair trade practice to require that such consumer choose between the following options as a condition of purchasing a trip or travel package:

(1) Purchasing the coverage required by the destination jurisdiction through the travel retailer or limited lines travel insurance producer supplying the trip or travel package; or

(2) agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements prior to departure.

New Sec. 8. (a) Notwithstanding any other provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, no person shall act or represent itself as a travel administrator for travel insurance in this state unless such person:

(1) Is a licensed property and casualty insurance producer in this state for activities permitted under that producer license;

(2) holds a valid managing general agent license in this state; or

(3) holds a valid third-party administrator license in this state.

(b) An insurer shall be responsible for the acts of a travel administrator that administers travel insurance underwritten by the insurer and shall ensure that the travel administrator maintains all books and records relevant to the insurer be made available by the travel administrator to the commissioner, upon request.

New Sec. 9. (a) Notwithstanding any other provision of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, travel insurance shall be classified and filed for purposes of rates and forms under an inland marine line of insurance.

(b) Travel insurance may be in the form of an individual, group or blanket policy.

(c) Eligibility and underwriting standards for travel insurance may be developed and provided based on travel protection plans designed for individual or identified marketing or distribution channels, provided those standards also meet underwriting standards of the state for inland marine insurance.

New Sec. 10. The commissioner may adopt rules and regulations to implement and enforce the provisions of this act.

Sec. 11. K.S.A. 40-4903 is hereby amended to read as follows: 40-4903. (a) Unless denied licensure pursuant to K.S.A. 40-4909, and amendments thereto, any person who meets the requirements of K.S.A. 40-4905, and amendments thereto, shall be issued an insurance agent license. An insurance agent may receive qualifications for a license in

one or more of the following lines of authority:

(1) Life: Insurance coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income.

(2) Accident and health or sickness: Insurance coverage for sickness, bodily injury or accidental death and may include benefits for disability income.

(3) Property: Insurance coverage for the direct or consequential loss or damage to property of every kind.

(4) Casualty: Insurance coverage against legal liability, including that for death, injury or disability or damage to real or personal property.

(5) Variable life and variable annuity products: Insurance coverage provided under variable life insurance contracts, variable annuities or any other life insurance or annuity product that reflects the investment experience of a separate account.

(6) Personal lines: Property and casualty insurance coverage sold primarily to an individual or family for noncommercial purposes.

(7) Credit: Limited line credit insurance.

(8) Crop insurance: Limited line insurance for damage to crops from unfavorable weather conditions, fire, lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or any other peril subsidized by the federal crop insurance corporation, including multi-peril crop insurance.

(9) Title insurance: Limited line insurance that insures titles to property against loss by reason of defective titles or encumbrances.

(10) (A) Travel insurance: Limited line insurance for personal risks incidental to planned travel, including, but not limited to:

~~(A)~~(i) Interruption or cancellation of trip or event;

~~(B)~~(ii) loss of baggage or personal effects;

~~(C)~~(iii) damages to accommodations or rental vehicles; ~~or~~

~~(D)~~(iv) sickness, accident, disability or death occurring during travel.

(v) *emergency evacuation;*

(vi) *repatriation of remains; or*

(vii) *any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the commissioner.*

(B) Travel insurance does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting six months or longer, for example, persons working overseas including military personnel deployed overseas.

(11) Pre-need funeral insurance: Limited line insurance that allows for the purchase of a life insurance or annuity contract by or on behalf of the insured solely to fund a pre-need contract or arrangement with a funeral home for specific services.

(12) Bail bond insurance: Limited line insurance that provides surety for a monetary guarantee that an individual released from jail will be present in court at an appointed time.

(13) Self-service storage unit insurance: Limited line insurance relating to the rental of self-service storage units, including:

(A) Personal effects insurance that provides coverage to renters of storage units at the same facility for the loss of, or damage to, personal effects that occurs at the same facility during the rental period; and

(B) any other coverage that the commissioner may approve as meaningful and appropriate in connection with the rental of storage units. Such insurance may only be issued in accordance with K.S.A. 40-241, and amendments thereto.

(14) Any other line of insurance permitted under the provisions of

chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations promulgated thereunder.

(b) Unless suspended, revoked or refused renewal pursuant to K.S.A. 40-4909, and amendments thereto, an insurance agent license shall remain in effect as long as:

(1) Education requirements for resident individual agents are met by such insurance agent's biennial due date;

(2) such insurance agent submits an application for renewal on a form prescribed by the commissioner; and

(3) ~~on and after January 1, 2022,~~ such insurance agent pays a biennial renewal application fee of \$4.

~~(c)(1)(A) On and after July 1, 2001, through December 31, 2021, each licensed insurance agent who is an individual and holds a property or casualty qualification, or both, or a personal lines qualification shall biennially obtain a minimum of 12 C.E.C.s in courses certified as property and casualty that includes at least one hour of instruction in insurance ethics, and may include regulatory compliance.~~

~~(B) On and after January 1, 2022, Except as provided in paragraphs ~~(3)~~ (1) through ~~(6)~~ (4), each licensed insurance agent shall biennially obtain a minimum of 18 C.E.C.s that include at least three hours of instruction in insurance ethics that also may include regulatory compliance.~~

~~(2) On and after July 1, 2001, through December 31, 2021, each licensed insurance agent who is an individual and holds a life, accident and health, or variable contracts qualification, or any combination thereof, shall biennially obtain a minimum of 12 C.E.C.s in courses certified as life, accident and health, or variable contracts that include at least one hour of instruction in insurance ethics and may include regulatory compliance.~~

~~(3)(1) Each licensed insurance agent who is an individual and holds only a crop qualification shall biennially obtain a minimum of two C.E.C.s in courses certified as crop C.E.C.s under the property and casualty category.~~

~~(4)(2) Each licensed insurance agent who is an individual and is licensed only for title insurance shall biennially obtain a minimum of four C.E.C.s in courses certified by the board of abstract examiners as title C.E.C.s under the property and casualty category.~~

~~(5)(3) Each licensed insurance agent who is an individual and holds a life insurance license solely for the purpose of selling pre-need funeral insurance or annuity products shall file a report on or before such agent's biennial due date affirming that such agent transacted no other insurance business during the period covered by the report and shall provide certification from an officer of each insurance company that has appointed such agent that the agent transacted no other insurance business during the period covered by the report. Agents who have offered to sell or sold only pre-need funeral insurance are exempt from the requirement to obtain C.E.C.s.~~

~~(6)(4) Each licensed insurance agent who is an individual and holds only a bail bond, self-service storage unit or travel insurance qualification is exempt from the requirement to obtain C.E.C.s.~~

~~(7)(5) (A) A licensed insurance agent who is a member of the national guard or any reserve component of the armed services of the United States who serves on active duty for at least 90 consecutive days shall be exempt from the requirement to obtain C.E.C.s during the time that such insurance agent is on active duty.~~

~~(B) The commissioner shall grant an extension to any licensed insurance agent described in subparagraph (A) until the biennial due date that occurs in the year next succeeding the year in which such active duty ceases.~~

(d) An instructor of an approved subject shall be entitled to the same C.E.C. as a student completing the study.

(e) (1) An individual insurance agent who has been licensed for more than one year, on or before such insurance agent's biennial due date, shall file a report with the commissioner certifying that such insurance agent has met the continuing education requirements for the previous biennium ending on such insurance agent's biennial due date. Each individual insurance agent shall maintain a record of all courses attended together with a certificate of attendance for the remainder of the biennium in which the courses were attended and the entire next succeeding biennium.

(2) If the required report showing proof of continuing education completion is not received by the commissioner by the individual insurance agent's biennial due date, such individual insurance agent's qualification and each and every corresponding license shall be suspended automatically for a period of 90 calendar days or until such time as the producer satisfactorily demonstrates completion of the continuing education requirement whichever is sooner. In addition, the commissioner shall assess a penalty of \$100 for each license suspended. If such insurance agent fails to furnish to the commissioner the required proof of continuing education completion and the monetary penalty within 90 calendar days of such insurance agent's biennial due date, such individual insurance agent's qualification and each and every corresponding license shall expire on such insurance agent's biennial due date. If after more than three but less than 12 months from the date the license expired, the insurance agent wants to reinstate such insurance agent's license, such individual shall provide the required proof of continuing education completion and pay a reinstatement fee in the amount of \$100 for each license suspended. If after more than 12 months from the date an insurance agent's license has expired, such insurance agent wants to reinstate such insurance agent's license, such individual shall apply for an insurance agent's license, provide the required proof of continuing education completion and pay a reinstatement fee in the amount of \$100 for each license suspended. Upon receipt of a written application from such insurance agent claiming extreme hardship, the commissioner may waive any penalty imposed under this subsection.

(3) On and after the effective date of this act, any applicant for an individual insurance agent's license who previously held a license that expires on or after June 30, 2001, because of failure to meet continuing education requirements and who seeks to be relicensed shall provide evidence that appropriate C.E.C.s have been completed for the prior biennium.

(4) Upon receipt of a written application from an individual insurance agent, the commissioner, in cases involving medical hardship or military service, may extend the time within which to fulfill the minimum continuing educational requirements for a period of not to exceed 180 days.

(5) This section shall not apply to any inactive insurance agent during the period of such inactivity. For the purposes of this paragraph, "inactive period" or "period of inactivity" means a continuous period of time of not more than four years starting from the date inactive status is granted by the commissioner. Before returning to active status, such inactive insurance agent shall:

(A) File a report with the commissioner certifying that such agent has met the continuing education requirement; and

(B) pay the renewal fee. If the required proof of continuing education completion and the renewal fee is not furnished at the end of the inactive period, such individual insurance agent's qualification and

each and every corresponding license shall expire at the end of the period of inactivity. For issuance of a new license, the individual shall apply for a license and pass the required examination.

(6) Any individual who allows such individual's insurance agent license in this state and all other states in which such individual is licensed as an insurance agent to expire for a period of four or more consecutive years, shall apply for a new insurance agent license and pass the required examination.

(f) (1) Each course, program of study, or subject shall be submitted to and certified by the commissioner in order to qualify for purposes of continuing education.

(2) Each request for certification of any course, program of study or subject shall contain the following information:

- (A) The name of the provider or provider organization;
- (B) the title of such course, program of study or subject;
- (C) the date the course, program of study or subject will be offered;
- (D) the location where the course, program of study or subject will be offered;
- (E) an outline of each course, program of study or subject including a schedule of times when such material will be presented;
- (F) the names and qualifications of instructors;
- (G) the number of C.E.C.s requested;
- (H) a nonrefundable C.E.C. qualification fee in the amount of \$50 per course, program of study or subject or \$250 per year for all courses, programs of study or subjects submitted by a specific provider or provider organization; and

(I) a nonrefundable annual provider fee of \$100.

(3) Upon receipt of such information, the commissioner shall grant or deny certification of any submitted course, program of study or subject as an approved subject, program of study or course and indicate the number of C.E.C.s that will be recognized for each approved course, program of study or subject. Each approved course, program of study or subject shall be assigned by the commissioner to one or both of the following classes:

- (A) Property and casualty; or
- (B) life insurance, including annuity and variable contracts, and accident and health insurance.

(4) Each course, program of study or subject shall have a value of at least one C.E.C.

(5) (A) Each provider seeking approval of a course, program of study or subject for continuing education credit shall issue or cause to be issued to each person who attends a course, program of study or subject offered by such provider a certificate of attendance. The certificate shall be signed by either the instructor who presents the course, program of study or course or such provider's authorized representative. Each provider shall maintain a list of all individuals who attend courses offered by such provider for continuing education credit for the remainder of the biennium in which the courses are offered and the entire next succeeding biennium.

(B) The commissioner shall accept, without substantive review, any course, program of study or subject submitted by a provider that has been approved by the insurance supervisory authority of any other state or territory accredited by the NAIC. The commissioner may disapprove any individual instructor or provider who has been the subject of disciplinary proceedings or who has otherwise failed to comply with any other state's or territory's laws or regulations.

(6) The commissioner may grant or approve any specific course, program of study or course that has appropriate merit, such as any

course, programs of study or course with broad national or regional recognition, without receiving any request for certification. The fee prescribed by subsection (f)(2) shall not apply to any approval granted pursuant to this provision.

(7) The C.E.C. value assigned to any course, program of study or subject, other than a correspondence course, computer based training, interactive internet study training or other course pursued by independent study, shall in no way be contingent upon passage or satisfactory completion of any examination given in connection with such course, program of study or subject. The commissioner shall establish, by rules and regulations criteria for determining acceptability of any method used for verification of the completion of each stage of any computer based or interactive internet study training. Completion of any computer based training or interactive internet study training shall be verified in accordance with a method approved by the commissioner.

(g) Upon request, the commissioner shall provide a list of all approved continuing education courses currently available to the public.

(h) An individual insurance agent who independently studies an insurance course, program of study or subject that is not an agent's examination approved by the commissioner shall receive credit for the C.E.C.s assigned by the commissioner as recognition for the approved subject. No other credit shall be given for independent study.

(i) Any licensed individual insurance agent who is unable to comply with license renewal procedures due to military service or some other extenuating circumstances may request a waiver of those procedures from the commissioner. Such agent may also request from the commissioner a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.

Sec. 12. K.S.A. 75-6513 is hereby amended to read as follows: 75-6513. ~~(a) The health care benefits program fund is hereby abolished and any reference to the health care benefits program fund in any statute, contract or other document shall be deemed to be a reference to the cafeteria benefits fund established by this section. There is hereby created in the state treasury the cafeteria benefits fund. On the effective date of this act, the director of accounts and reports shall transfer all moneys in the health care benefits program fund to the cafeteria benefits fund and all liabilities of the health care benefits program fund are hereby transferred to and imposed upon the cafeteria benefits fund.~~

(b) The cost of the state ~~health care~~ *healthcare* benefits program, including the costs of administering the program, shall be paid from the cafeteria benefits fund. ~~The cost of the long-term care insurance, including the costs of administration, purchased pursuant to K.S.A. 75-6523, and amendments thereto, shall be paid from the cafeteria benefits fund.~~ The Kansas state employees health care commission shall remit all moneys received by or for the commission pursuant to the state ~~health care~~ *healthcare* benefits program ~~or from the purchase of long-term care insurance~~ to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the cafeteria benefits fund.

(c) Each state agency shall pay into the cafeteria benefits fund amounts specified by the secretary of administration to pay for costs of administering the cafeteria plan as provided by law, including the costs of benefits provided thereunder.

(d) All expenditures from the cafeteria benefits fund shall be made in accordance with appropriation acts upon warrants of the director of

accounts and reports issued pursuant to vouchers approved by: (1) The chairperson of the Kansas state employees health care commission or by a person or persons designated by the chairperson, for expenditures relating to the ~~health care~~ *state healthcare* benefits program; and (2) the secretary of administration or by a person or persons designated by the secretary, for expenditures relating to administering the cafeteria plan as provided by law, including the costs of benefits provided thereunder. The director of accounts and reports shall issue warrants pursuant to vouchers approved under this section for payments from the cafeteria benefits fund notwithstanding the fact that claims for such payments were not submitted or processed for payment from money appropriated for the fiscal year in which the fund first became liable to make such payments.

Sec. 13. K.S.A. 40-4903, 75-6513, 75-6521, 75-6522 and 75-6523 are hereby repealed.

Sec. 14. This act shall take effect and be in force from and after January 1, 2024, and its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE adopted

Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE

as amended _____

HOUSE adopted

Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.