

## 2023 Kansas Statutes

**40-1002. Classification of insurable property.** In companies organized under the provisions of this article, the property to be insured shall be classified as follows:

(1) Dwelling houses, barns, except livery or hotel barns, accompanying outbuildings and their contents, schoolhouses, schoolhouse furniture, churches, church furniture, community, lodge or township halls, and community, lodge or township hall furniture, farm implements, hay, grain other than hail on growing crops, wool and other products, livestock, wagons, carriages, harness, household goods, wearing apparel, provisions, musical instruments, and libraries, being upon farms as farm property, or in dwellings, or in accompanying outbuildings, or in schoolhouses, or in churches, that constitute detached risks in villages and cities and belonging to the members of the company. All risks in cities and villages which shall be fifteen feet or more from any contiguous risk shall be deemed detached within the meaning of this section.

(2) To include all risks on buildings used for merchandising and manufacturing, and the goods, wares, machinery and implements contained therein; and all other property not included in the first class.

The business of each class shall be conducted separately and independently of the other, and in no case shall an assessment be made by the company upon the premium notes of one class to pay the losses or expenses of the other class; and any company doing business under this article may elect to confine their business to either the first or second class, or to embrace both; and whenever any change is made in the character of their business in this respect, it shall be done at a regular meeting of the directors and by the vote of two-thirds of all the directors, which resolution shall be filed with the bylaws in the office of the secretary of state: Provided, That any company, organized under the provisions of this article to write insurance of the first class, having not less than ten million dollars of insurance in force, and having a reserve fund of not less than five thousand dollars for each one million dollars of insurance in force, fire and wind to be counted separately and the reserve to be based upon the sum of both such fire and wind, may write insurance on any risk mentioned and described as "second class." No such company shall hold, without reinsurance, aggregate "second class" risks in one block of more than five percent of its reserve funds: Provided, That any company confining its risks solely to those of "first class" shall at no time carry risks in cities and villages to exceed twenty-five percent of the amount of the total insurance in force: Provided further, That no such business of the "second class" shall be written and placed with the business of the "first class," until the writing of such risks of the second class shall have been approved by an affirmative vote of two-thirds of all the directors in regular session assembled or at a meeting of the board of directors called for that specific purpose.

**History:** L. 1927, ch. 231, 40-1002; June 1.