

2012 Kansas Statutes

40-2503. Same; conditions on authority; deposits. (a) A person shall not render or agree to render automobile club service in this state until the following deposit has been made with, and maintained with the commissioner.

(1) Automobile clubs that were authorized to operate in Kansas as of January 1, 1967, shall be required to maintain a deposit in the amount of two dollars (\$2) per Kansas member or ten thousand dollars (\$10,000), whichever is greater, subject to a maximum of fifty thousand dollars (\$50,000).

(2) Automobile clubs that are authorized to operate in Kansas subsequent to January 1, 1967, shall be required to maintain a deposit in the amount of two dollars (\$2) per member or fifteen thousand dollars (\$15,000), whichever is greater, subject to a maximum of fifty thousand dollars (\$50,000). Such deposit must be in one of the following forms:

(A) Securities as stipulated in K.S.A. 40-227 having a market value equal to the required deposit amount.

(B) A surety bond in principal sum equal to the required deposit amount issued by a surety authorized to transact surety business in this state.

(b) Such deposit shall be for the protection, use and benefit of all persons whose application for Kansas membership in an automobile club has been accepted by such club or its representative. Such deposit shall be subject to the following conditions and, if a bond, shall be so expressly conditioned:

(1) The club will faithfully furnish and render to such persons any and all of the automobile club services sold or offered for sale by it.

(2) The club will pay any fines, fees or penalties imposed upon it under or pursuant to this act.

(c) If such bond is filed, any Kansas member defrauded or injured by any wrongful act, misrepresentation or failure on the part of an automobile club with respect to the selling or rendering of any of its services may bring suit on such bond in his own name.

(d) A deposit of securities, in lieu of such bond, shall be subject to the conditions applying to the bond and is also subject to execution on judgments against the club.

(e) The name of the automobile club shall be submitted to the commissioner for approval before the commencement of business under the provisions of this act. The commissioner may reject any name so submitted when the proposed name would interfere with the transactions of an automobile club already doing business in this state or is so similar to one already approved as to confuse or is likely to mislead the public in any respect. In such case a name not liable to such objections shall be chosen.

History: L. 1967, ch. 270, § 3; July 1.