

SENATE BILL No. 17

By Committee on Financial Institutions and Insurance

1-12

1 AN ACT concerning insurance; enacting the fair access to insurance
2 requirements plan act; amending K.S.A. 40-2101 and repealing the
3 existing section.
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. (a) This act shall be known and may be cited as the
7 fair access to insurance requirements plan act, or the FAIR plan act.

8 (b) The purpose of this act is to make available basic property and
9 casualty insurance to persons having property interests in this state who
10 are in good faith entitled to, but who are unable to, procure such coverage
11 through the voluntary market. The FAIR plan shall provide for the
12 equitable distribution and placement of risks among all member insurers
13 who have voluntarily elected to participate and shall operate subject to the
14 provisions and conditions of this act. This act supersedes the prior
15 authority of the FAIR plan to act under K.S.A. 40-2101, and amendments
16 thereto.

17 (c) All policies shall be issued on the forms and in accordance with
18 the reasonable rates and rating procedures approved by the commissioner
19 of insurance.

20 (d) All policies shall be issued for a term of one year.

21 (e) Within 60 days of the filing of the proposed rates, the
22 commissioner of insurance shall enter an order either approving or
23 disapproving, in whole or in part, the rate plan filed. The commissioner of
24 insurance may, upon notice to the facility, extend the period for entering an
25 order for an additional 30 days. No policies or endorsements shall be
26 issued applying the proposed rates until such time as the commissioner of
27 insurance approves such rates. An order disapproving a rate shall state the
28 grounds for the disapproval and the findings in support thereof.

29 (f) The commissioner of insurance may adopt rules and regulations to
30 administer the provisions of this act. Any such rules and regulations
31 deemed necessary shall be promulgated no later than January 1, 2018.

32 Sec. 2. K.S.A. 40-2101 is hereby amended to read as follows: 40-
33 2101. *Except as provided in section 1, and amendments thereto,*
34 agreements may be made among insurers with respect to the equitable
35 apportionment among them of insurance which may be afforded applicants
36 who are in good faith, entitled to but who are unable to procure such

1 insurance through ordinary methods and such insurers may agree among
2 themselves on the use of reasonable rate modifications for such insurance
3 provided that such apportionment agreements and rate modifications are
4 approved by the commissioner of insurance.

5 Sec. 3. K.S.A. 40-2101 is hereby repealed.

6 Sec. 4. This act shall take effect and be in force from and after its
7 publication in the statute book.