

## SENATE BILL No. 123

By Committee on Financial Institutions and Insurance

1-24

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AN ACT concerning insurance; relating to the licensure of insurance producers; amending K.S.A. 40-3702 and repealing the existing section; also repealing K.S.A. 40-239, 40-240, 40-240f, 40-241a, 40-241b, 40-241c, 40-241d, 40-241e, 40-241f, 40-241g, 40-241i, 40-242, 40-245, 40-246, 40-3701, 40-3703, 40-3704, 40-3705, 40-3706, 40-3707, 40-3708, 40-3709, 40-3710, 40-3711, 40-3712, 40-3713 and 40-3714.

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

New Section 1. (a) Sections 1 through 18, and amendments thereto, shall constitute and be known as the uniform insurance producers licensing act.

(b) Except as provided in section 6 and subsection (b) of section 14, and amendments thereto, this act shall not apply to any excess and surplus lines agents and brokers licensed pursuant to K.S.A. 40-246b and amendments thereto.

New Sec. 2. As used in this act: (a) "Approved subject" or "approved course" means any educational presentation involving insurance fundamentals, insurance law, insurance policies and coverage, insurance needs, insurance risk management, insurance agency management or other areas, which is offered in a class, seminar, computer based training, interactive internet training or other similar form of instruction, and which has been approved by the commissioner under this act as expanding skills and knowledge obtained prior to initial licensure under this act or developing new and relevant skills and knowledge in preparation for such licensure.

(b) "Biennial due date" means the date of birth of any licensed insurance producer who is required to complete C.E.C.'s and report the completion of such C.E.C.'s to the commissioner pursuant to this act, except that such due date shall not be earlier than two years from the date of the insurance producer's initial licensure under this act. The biennial due date for a registered business entity shall be the date of initial licensure under this act.

(c) "Biennium" means the period starting with the insurance producer's biennial due date in 2001 and each two-year period thereafter for any insurance producer who was born in an odd-numbered year. For any

1 insurance producer who was born in an even-numbered year, the term  
2 shall mean the period starting with the insurance producer's biennial due  
3 date in 2002 and each two-year period thereafter. The biennium for a  
4 registered business entity shall be the two-year period following such  
5 business entity's initial licensure or renewal of such license.

6 (d) "Business entity" means any corporation, association, partnership,  
7 limited liability company, limited liability partnership or other legal entity.

8 (e) "C.E.C." means continuing education credit containing at least  
9 50 minutes of instruction in each clock hour. The term C.E.C. also in-  
10 cludes any value, expressed in a whole number of units, assigned by the  
11 commissioner to an approved subject.

12 (f) "Commissioner" means the commissioner of insurance as defined  
13 in K.S.A. 40-102 and amendments thereto. The term commissioner shall  
14 also include any authorized representative or designee of the  
15 commissioner.

16 (g) "Department" means the insurance department established by  
17 K.S.A. 40-102 and amendments thereto.

18 (h) "Home state" means the District of Columbia and any state or  
19 territory of the United States in which an insurance producer maintains  
20 such producer's principal place of residence or principal place of business  
21 and is licensed to act as an insurance producer.

22 (i) "Inactive producer" means any licensed producer who presents  
23 evidence satisfactory to the commissioner which demonstrates that such  
24 producer will not do any act toward transacting the business of insurance  
25 for not less than two but not more than four years from the date such  
26 evidence is received by the commissioner.

27 (j) "Insurance" means any of the lines of authority specified in K.S.A.  
28 40-241 and amendments thereto.

29 (k) "Insurance producer" and "producer" means any person required  
30 to be licensed under the provisions of chapter 40 of the Kansas Statutes  
31 Annotated, and amendments thereto, to sell, solicit or negotiate insur-  
32 ance. For the purposes of this act, whenever the terms "agent" or "bro-  
33 ker" appear in chapter 40 of the Kansas Statutes Annotated, and amend-  
34 ments thereto, each term shall mean insurance producer unless the  
35 context requires otherwise.

36 (l) "Insurer" and "insurance company" shall have the meaning as-  
37 cribed to the term insurance company by K.S.A. 40-222c and amend-  
38 ments thereto;

39 (m) "License" means a document issued by this state's insurance  
40 commissioner authorizing a person to act as an insurance producer for  
41 the lines of authority specified in such document.

42 (n) "Limited line credit insurance" includes credit life, credit disa-  
43 bility, credit property, credit unemployment, involuntary unemployment,

1 mortgage life, mortgage guaranty, mortgage disability, automobile dealer  
2 gap insurance and any other form of insurance offered in connection with  
3 an extension of credit that is limited to partially or wholly extinguishing  
4 that credit obligation that the insurance commissioner determines should  
5 be designated a form of limited line credit insurance.

6 (o) “Limited line credit insurance producer” means a person who  
7 sells, solicits or negotiates one or more forms of limited line credit insur-  
8 ance coverage to individuals through a master, corporate, group or indi-  
9 vidual policy.

10 (p) “NAIC” means the national association of insurance  
11 commissioners.

12 (q) “Negotiate” means the act of conferring directly with or offering  
13 advice directly to any purchaser or prospective purchaser of a particular  
14 contract of insurance concerning any of the substantive benefits, terms  
15 or conditions of such contract, provided that the person engaged in such  
16 act either sells insurance or obtains insurance from insurers for  
17 purchasers.

18 (r) “Person” means an individual or a business entity.

19 (s) “Sell” means to exchange a contract of insurance by any means,  
20 for money or its equivalent, on behalf of an insurance company.

21 (t) “Solicit” shall include any attempt to sell insurance or asking or  
22 urging a person to apply for any particular kind of insurance from any  
23 particular insurance company.

24 New Sec. 3. (a) Unless denied licensure pursuant to section 9 and  
25 amendments thereto, any person who meets the requirements of section  
26 5, and amendments thereto, shall be issued an insurance producer li-  
27 cense. An insurance producer may receive qualifications for a license in  
28 one or more of the following lines of authority:

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

32 (2) Accident and health or sickness—insurance coverage for sickness,  
33 bodily injury or accidental death and may include benefits for disability  
34 income.

35 (3) Property—insurance coverage for the direct or consequential loss  
36 or damage to property of every kind.

37 (4) Casualty—insurance coverage against legal liability, including that  
38 for death, injury or disability or damage to real or personal property.

39 (5) Variable life and variable annuity products—insurance coverage  
40 provided under variable life insurance contracts, variable annuities or any  
41 other life insurance or annuity product that reflects the investment ex-  
42 perience of a separate account.

43 (6) Personal lines—personal property and casualty insurance coverage

1 sold primarily to an individual or family for noncommercial purposes.

2 (7) Credit—limited line credit insurance.

3 (8) Any other line of insurance permitted under the provisions of  
4 chapter 40 of the Kansas statutes annotated, and amendments thereto,  
5 and any rules and regulations promulgated thereunder.

6 (b) Unless suspended, revoked or refused renewal pursuant to sec-  
7 tion 9, and amendments thereto, an insurance producer license shall re-  
8 main in effect as long as education requirements for resident individual  
9 producers are met by such insurance producer's biennial due date.

10 (c) On and after the effective date of this act: (1) Each licensed in-  
11 surance producer who is an individual and holds a property or casualty  
12 qualification, or both, shall biennially obtain a minimum of 12 C.E.C.'s  
13 in courses certified as property and casualty which shall include at least  
14 one hour of instruction in insurance ethics. No more than three of the  
15 required C.E.C.'s shall be in insurance agency management.

16 (2) Each licensed insurance producer who is an individual and holds  
17 a life, accident and health, or variable contracts qualification, or any com-  
18 bination thereof, shall biennially complete 12 C.E.C.'s in courses certified  
19 as life, accident and health, or variable contracts which shall include at  
20 least one hour of instruction in insurance ethics. No more than three of  
21 the required C.E.C.'s shall be in insurance agency management.

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

25 (4) Each licensed insurance producer who is an individual and is li-  
26 censed only for title insurance shall biennially obtain a minimum of four  
27 C.E.C.'s in courses certified by the board of abstract examiners as title  
28 under the property and casualty category.

29 (5) Each licensed insurance producer who is an individual and holds  
30 a life insurance license solely for the purpose of selling life insurance or  
31 annuity products used to fund a prearranged funeral program and whose  
32 report of compliance required by subsection (g) is accompanied by a  
33 certification from an officer of each insurance company represented by  
34 such producer certifying that such producer transacted no other insur-  
35 ance business during the period covered by the report shall biennially  
36 obtain a minimum of two C.E.C.'s in courses certified as life or variable  
37 contracts under the life, accident and health or variable contracts  
38 category.

39 (d) On and after the effective date of this act, each individual insur-  
40 ance producer who holds a license with both a property or casualty qual-  
41 ification, or both, and a life, accident and health or variable contracts  
42 qualification, or any combination thereof, and who earn C.E.C.'s from  
43 courses certified by the commissioner as qualifying for credit in any class,

1 may apply, at such insurance producer's option, such C.E.C.'s toward  
2 either the property or casualty continuing education requirement or to  
3 the life, accident and health or variable contracts continuing education  
4 requirement. However, no C.E.C. shall be applied to satisfy both the  
5 biennial property or casualty requirement, or both, and the biennial re-  
6 quirement for life, accident and health or variable contracts, or any com-  
7 bination thereof.

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

10 (f) (1) An individual insurance producer who has been licensed for  
11 more than one year, on or before such insurance producer's biennial due  
12 date, shall file a report with the commissioner certifying that such insur-  
13 ance producer has met the continuing education requirements for the  
14 previous biennium ending on such insurance producer's biennial due  
15 date. Each individual insurance producer shall maintain a record of all  
16 courses attended together with a certificate of attendance for the re-  
17 mainder of the biennium in which the courses were attended and the  
18 entire next succeeding biennium.

19 (2) If the required report showing proof of continuing education  
20 completion is not received by the commissioner by the individual insur-  
21 ance producer's biennial due date, such individual insurance producer's  
22 qualification and each and every corresponding license shall be suspended  
23 automatically for a period of 90 calendar days or until such time as the  
24 producer satisfactorily demonstrates completion of the continuing edu-  
25 cation requirement whichever is sooner. In addition the commissioner  
26 shall assess a penalty of \$100 for each license suspended. If such insurance  
27 producer fails to furnish to the commissioner the required proof of con-  
28 tinuing education completion and the monetary penalty within 90 cal-  
29 endar days of such insurance producer's biennial due date, such individual  
30 insurance producer's qualification and each and every corresponding li-  
31 cense shall expire on such insurance producer's biennial due date. If after  
32 more than three but less than 12 months from the date the license ex-  
33 pired, the insurance producer wants to reinstate such insurance pro-  
34 ducer's license, such individual shall provide the required proof of con-  
35 tinuing education completion and pay a reinstatement fee in the amount  
36 of \$100 for each license suspended. If after more than 12 months from  
37 the date an insurance producer's license has expired, such insurance pro-  
38 ducer wants to reinstate such insurance producer's license, such individ-  
39 ual shall apply for an insurance producer's license, provide the required  
40 proof of continuing education completion and pay a reinstatement fee in  
41 the amount of \$100 for each license suspended. Upon receipt of a written  
42 application from such insurance producer claiming extreme hardship, the  
43 commissioner may waive any penalty imposed under this subsection.

1 (3) On and after the effective date of this act, any applicant for an  
2 individual insurance producer's license who previously held a license  
3 which expires on or after June 30, 2001, because of failure to meet con-  
4 tinuing education requirements and who seeks to be relicensed shall pro-  
5 vide evidence that appropriate C.E.C.'s have been completed for the prior  
6 biennium.

7 (4) Upon receipt of a written application from an individual insurance  
8 producer, the commissioner, in cases involving medical hardship or mil-  
9 itary service, may extend the time within which to fulfill the minimum  
10 continuing educational requirements for a period of not to exceed 180  
11 days.

12 (5) This section shall not apply to any inactive insurance producer  
13 during the period of such inactivity. For the purposes of this paragraph,  
14 "inactive period" or "period of inactivity" shall mean a continuous period  
15 of time of not less than two years and not more than four years starting  
16 from the date inactive status is granted by the commissioner. Before re-  
17 turning to active status, such inactive insurance producer shall:

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

20 (B) pay the renewal fee. If the required proof of continuing education  
21 completion and the renewal fee is not furnished at the end of the inactive  
22 period, such individual insurance producer's qualification and each and  
23 every corresponding license shall expire at the end of the period of in-  
24 activity. For issuance of a new license, the individual shall apply for a  
25 license and pass the required examination.

26 (6) Any individual who allows such individual's insurance producer  
27 license in this state and all other states in which such individual is licensed  
28 as an insurance producer to expire for a period of four or more consec-  
29 utive years, shall apply for a new insurance producer license and pass the  
30 required examination.

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

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

36 (A) The name of provider or provider organization;

37 (B) the title of such course, program of study or subject;

38 (C) the date the course, program of study or subject will be offered;

39 (D) the location where the course, program of study or subject will  
40 be offered;

41 (E) an outline of each course, program of study or subject including  
42 a schedule of times when such material will be presented;

43 (F) the names and qualifications of instructors;

1 (G) the number of C.E.C.'s requested; and

2 (H) a nonrefundable C.E.C. qualification fee in the amount of \$50  
3 per course, program of study or subject or \$250 per year for all courses,  
4 programs of study or subjects submitted by a specific provider or provider  
5 organization; and

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

7 (3) Upon receipt of such information, the commissioner shall grant  
8 or deny certification of any submitted course, program of study or subject  
9 as an approved subject, program of study or course and indicate the num-  
10 ber of C.E.C.'s that will be recognized for each approved course, program  
11 of study or subject. Each approved course, program of study or subject  
12 shall be assigned by the commissioner to one or both of the following  
13 classes:

14 (A) Property and casualty; or

15 (B) life insurance (including annuity and variable contracts) and ac-  
16 cident and health insurance.

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

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

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

35 (6) The commissioner may grant or approve any specific course, pro-  
36 gram of study or course that has appropriate merit, such as any course,  
37 programs of study or course with broad national or regional recognition,  
38 without receiving any request for certification. The fee prescribed by  
39 paragraph (2) of subsection (g) shall not apply to any approval granted  
40 pursuant to this provision.

41 (7) The C.E.C. value assigned to any course, program of study or  
42 subject, other than a correspondence course, computer based training,  
43 interactive internet study training or other course pursued by independ-

1 ent study, shall in no way be contingent upon passage or satisfactory  
2 completion of any examination given in connection with such course,  
3 program of study or subject. The commissioner shall establish, by rules  
4 and regulations criteria for determining acceptability of any method used  
5 for verification of the completion of each stage of any computer based or  
6 interactive internet study training. Completion of any computer based  
7 training or interactive internet study training shall be verified in accord-  
8 ance with a method approved by the commissioner.

9 (h) Upon request, the commissioner shall provide a list of all ap-  
10 proved continuing education courses currently available to the public.

11 (i) An individual insurance producer who independently studies an  
12 insurance course, program of study or subject which is not a producer's  
13 examination approved by the commissioner and who passes an indepen-  
14 dently monitored examination, shall receive credit for the C.E.C.'s as-  
15 signed by the commissioner as recognition for the approved subject. No  
16 other credit shall be given for independent study.

17 (j) Any licensed individual insurance producer who is unable to com-  
18 ply with license renewal procedures due to military service or some other  
19 extenuating circumstances may request a waiver of those procedures from  
20 the commissioner. Such producer may also request from the commis-  
21 sioner a waiver of any examination requirement or any other fine or sanc-  
22 tion imposed for failure to comply with renewal procedures.

23 New Sec. 4. (a) No provision of this act shall be construed to require  
24 an insurer to obtain an insurance producer license. For the purposes of  
25 this section, the term "insurer" shall not include any officer, director,  
26 employee, subsidiary or affiliate of an insurer.

27 (b) The provisions of this act shall not apply to:

28 (1) Any officer, director or employee of an insurer or an insurance  
29 producer who does not receive any commission on any policy written or  
30 sold to insure any risk residing, located or to be performed in this state  
31 and:

32 (A) Such officer's, director's or employee's activities are executive,  
33 administrative, managerial, clerical, or any combination thereof, and not  
34 directly related to the sale, solicitation or negotiation of insurance;

35 (B) such officer's, director's or employee's assigned duty relates to  
36 underwriting, loss control, inspection or the processing, adjusting, inves-  
37 tigating or settling of any claim on a contract of insurance; or

38 (C) such officer, director or employee:

39 (i) Acts as a special agent or agency supervisor assisting insurance  
40 producers;

41 (ii) limits such person's activities to providing technical advice and  
42 assistance to licensed insurance producers; and

43 (iii) does not sell, solicit or negotiate insurance.



1 (2) Any person who performs one or more of the services listed below  
2 but who receives no commission for the performance of such service:

3 (A) Secures and furnishes information for the purpose of group life  
4 insurance, group property and casualty insurance, group annuities, group  
5 or blanket accident and health insurance;

6 (B) secures and furnishes information for the purpose of enrolling  
7 individuals under such insurance plan; issuing certificates under such in-  
8 surance plan or otherwise assisting in administering such insurance plan;  
9 or

10 (C) performs administrative services related to mass marketed prop-  
11 erty and casualty insurance where no commission is paid to such person  
12 for such service.

13 (3) Any employer or business entity, any officer, director, employee  
14 of such business entity, or the trustee of an employee trust plan, engaged  
15 in the administration or operation of a program of employee benefits for  
16 the employees of such employer or business entity, which involves the  
17 use of insurance issued by an insurer, so long as any person involved with  
18 such program of employee benefits is not compensated in any manner,  
19 directly or indirectly, by the company issuing the insurance contract.

20 (4) Any employee of an insurer, or any organization employed by an  
21 insurer, who does not participate individually in the sale, solicitation or  
22 negotiation of insurance that:

23 (A) Engages in the inspection, rating or classification of risks; or

24 (B) engages in the supervision of the training of insurance producers.

25 (5) Any person who does not sell, solicit or negotiate insurance that  
26 would insure any risk residing, located or to be performed in this state  
27 and who limits such person's activities in this state to advertising through  
28 any communication in any printed publication or any form of electronic  
29 mass media.

30 (6) Any person who is not a resident of this state who sells, solicits or  
31 negotiates a contract of insurance for commercial property and casualty  
32 risks to an insured having risks insured under that contract located in  
33 more than one state, whenever:

34 (A) Such person is licensed as an insurance producer to sell, solicit  
35 or negotiate such insurance in the state where the insured maintains such  
36 insured's principal place of business; and

37 (B) the contract of insurance insures risks located in that state.

38 (7) Any salaried full-time employee who:

39 (A) Advises such employee's employer regarding the insurance inter-  
40 ests of such employer or such employer's subsidiaries or business affili-  
41 ates; and

42 (B) does not sell or solicit insurance or receive a commission from  
43 the sale or solicitation of such insurance.

1 (8) Any person who arranges for the inclusion of insurance in a credit  
2 transaction under the applicable provisions of the uniform consumer  
3 credit code, K.S.A. 16a-1-101 *et seq.* and amendments thereto.

4 (9) Any bank or officer or employee thereof who collects and remits  
5 a premium by charging such premium against the account of a depositor  
6 on the order of such depositor.

7 (10) Any producer selling credit life, health and accident insurance  
8 issued exclusively in connection with a commercial loan.

9 (11) Any person who arranges for the inclusion of insurance in con-  
10 sumer credit transactions as defined in the uniform consumer credit code,  
11 K.S.A. 16a-1-101 *et seq.* and amendments thereto.

12 (12) Any person who arranges for the inclusion of insurance in any  
13 real estate mortgage transaction.

14 (13) Any full-time student who is enrolled in an accredited high  
15 school in this state while such student participates in an insurance project  
16 sponsored by a bona fide junior achievement program.

17 New Sec. 5. (a) Subject to the provisions of section 4, and amend-  
18 ments thereto, it shall be unlawful for any person to sell, solicit or ne-  
19 gotiate any insurance within this state unless such person has been issued  
20 a license as an insurance producer in accordance with this act.

21 (b) Any person applying for a resident insurance producer license  
22 shall make application on a form prescribed by the commissioner. The  
23 applicant shall declare under penalty of perjury that the statements made  
24 in the application are true, correct and complete to the best of the ap-  
25 plicant's knowledge and belief. Before approving the application, the  
26 commissioner shall determine that the applicant:

27 (1) Is at least 18 years of age;

28 (2) has not committed any act that is grounds for denial pursuant to  
29 this section or suspension or revocation pursuant to section 9 and amend-  
30 ments thereto;

31 (3) has paid a nonrefundable fee in the amount of \$30; and

32 (4) has successfully passed the examination for each line of authority  
33 for which the applicant has applied.

34 (c) If the applicant is a business entity, then the commissioner shall  
35 make the following additional determinations in addition to those re-  
36 quired by subsection (a):

37 (1) The name and address of a licensed producer who shall be re-  
38 sponsible for the business entity's compliance with the insurance laws of  
39 this state and the rules and regulations promulgated thereunder;

40 (2) that each officer, director, partner and employee of the business  
41 entity who acts as an insurance producer is licensed as an insurance  
42 producer;

43 (3) that the business entity has disclosed to the department all of its

1 officers, directors and partners whether or not such officers, directors,  
2 partners and employees are licensed as insurance producers; and

3 (4) that the business entity has disclosed to the department each of-  
4 ficer, director, partner and employee who is licensed as insurance  
5 producers.

6 (d) Any business entity which acts as an insurance producer and holds  
7 a direct agency appointment from an insurance company shall be required  
8 to obtain an insurance producer license.

9 (e) The commissioner may require the applicant to furnish any doc-  
10 ument or other material reasonably necessary to verify the information  
11 contained in an application.

12 (f) Each insurer that sells, solicits or negotiates any form of limited  
13 line credit insurance shall provide a program of instruction approved by  
14 the commissioner to each individual employed by or acting on behalf of  
15 such insurer to sell, solicit or negotiate limited line credit insurance.

16 (g) (1) Each licensed insurance producer shall notify the commis-  
17 sioner of any officer, director, partner or employee of such insurance  
18 producer who:

19 (A) Is licensed as an individual insurance producer; and

20 (B) was not disclosed in such insurance producer's application for a  
21 license or any renewal thereof.

22 (2) Each licensed insurance producer shall notify the commissioner  
23 of any of its officers, directors, partners or employees who:

24 (A) Have terminated such relationship as an officer, director, partner  
25 or employee of such insurance producer; and

26 (B) has been previously disclosed in such insurance producer's ap-  
27 plication for a license or any renewal thereof.

28 (3) Each licensed insurance producer shall notify the commissioner  
29 within 30 working days of occurrence of any event required to be reported  
30 under paragraphs (1) or (2) of this subsection. Failure to provide the  
31 commissioner with the information required by this subsection shall sub-  
32 ject the licensee to a monetary penalty of \$10 per day for each working  
33 day the required information is late subject to a maximum of \$50 per  
34 person per licensing year.

35 (h) Any applicant whose application for a license, is denied shall be  
36 given an opportunity for a hearing in accordance with the provisions of  
37 the Kansas administrative procedure act.

38 New Sec. 6. (a) Unless denied licensure pursuant to section 9, and  
39 amendments thereto, a nonresident person shall receive a nonresident  
40 producer license if:

41 (1) Such person is currently licensed as a resident and in good stand-  
42 ing in such person's home state;

43 (2) such person has submitted the proper request for licensure and

1 has paid to the commissioner a biennial fee of \$50;

2 (3) such person has submitted or transmitted to the commissioner of  
3 insurance a copy of the application for licensure that such person sub-  
4 mitted to such person's home state, or in lieu of the same, a completed  
5 application on a form prescribed by the commissioner; and

6 (4) such person's home state awards a nonresident producer license  
7 to residents of this state on the same basis.

8 (b) The commissioner may verify the insurance producer's licensing  
9 status through the producer database maintained by the NAIC, its affil-  
10 iates or subsidiaries.

11 (c) (1) Any nonresident producer who is licensed in this state and  
12 who moves from one state to another state or a resident producer who  
13 moves from this state to another state shall file with the commissioner  
14 within 30 days a change of address and provide certification from the new  
15 resident state.

16 (2) Any insurance producer who resides in this state and who moves  
17 from this state to another state shall file with the commissioner within 30  
18 days a change of address and provide certification from the new resident  
19 state.

20 (3) No fee or license application shall be required for any filing re-  
21 quired by this subsection.

22 (d) Subject to the provisions of subsection (a), any person licensed as  
23 a surplus lines producer in such person's home state shall receive a non-  
24 resident surplus lines producer license. Except as provided in subsection  
25 (a), nothing in this section shall be construed to amend or supersede any  
26 provision of K.S.A. 40-246b and amendments thereto.

27 (e) Subject to the provisions of subsection (a), any person licensed as  
28 a limited line credit insurance or other type of limited lines producer in  
29 such person's home state shall receive a nonresident limited lines pro-  
30 ducer license in this state granting the same scope of authority as granted  
31 under the license issued by the such insurance producer's home state.

32 New Sec. 7. (a) Except as provided in subsection (c), the commis-  
33 sioner may issue a temporary insurance producer license for a period not  
34 to exceed 180 days without requiring the applicant to pass a written ex-  
35 amination. A temporary insurance producer's license may be issued to:

36 (1) The surviving spouse or court-appointed personal representative  
37 of a licensed insurance producer who dies or becomes mentally or phys-  
38 ically disabled to allow adequate time:

39 (A) For the sale of the insurance business owned by such insurance  
40 producer;

41 (B) for the recovery or return of such insurance producer to the busi-  
42 ness; or

43 (C) to provide for the training and licensing of new personnel to op-

1 erate such insurance producer's business.

2 Any insurance producer's license issued to a surviving spouse shall lapse  
3 upon issuance of an insurance producer's license or a temporary insurance  
4 producer's license to a court-appointed personal representative of such  
5 deceased person.

6 (2) Any member or employee of a business entity licensed as an in-  
7 surance producer, upon the death or disability of an individual designated  
8 in such business entity's application or the insurance producer's license.

9 (3) The designee of an individual licensed as an insurance producer  
10 who is entering active service in the armed forces of the United States of  
11 America.

12 (4) Any other person under such other circumstance where the com-  
13 missioner deems that the public interest will be best served by the iss-  
14 uance of such license.

15 (b) The commissioner may issue any order deemed necessary by the  
16 commissioner to limit the authority of any temporary licensee to protect  
17 insureds and the public. The commissioner may require the temporary  
18 licensee to have a suitable sponsor. Such sponsor shall:

19 (1) Be a licensed insurance producer or insurer; and

20 (2) assume responsibility for all acts of the temporary licensee.

21 The commissioner may impose other similar requirements designed to  
22 protect insureds and the public. If the interests of the insureds or the  
23 public are endangered, the commissioner may by order revoke a tem-  
24 porary license. No temporary license shall continue after the owner or  
25 the personal representative disposes of the business.

26 (c) (1) Except as provided in paragraph (2) the commissioner may  
27 extend a temporary insurance producer's license for one additional period  
28 of up to 180 days.

29 (2) Any temporary insurance producer license issued pursuant to par-  
30 agraph (3) of subsection (a) may be renewed for such period of time as  
31 in the commissioner's opinion may be necessary for the continuation of  
32 the business of such licensed individual.

33 New Sec. 8. (a) The commissioner shall waive examinations for an  
34 individual who applies for an insurance producer license in this state who  
35 was previously licensed for the same lines of authority in another state  
36 when the applicant establishes that:

37 (1) (A) The applicant is currently licensed in such other state; or

38 (B) if the application is received within 90 days of the cancellation of  
39 the applicant's previous license issued by such other state and if such  
40 other state certifies that, at the time of cancellation, the applicant was in  
41 good standing in such other state. In lieu of issuance of a certification by  
42 such other state that the applicant was in good standing, the commissioner  
43 may accept evidence from such other state's producer database records,

1 maintained by the NAIC, its affiliates or subsidiaries, which indicate that  
2 the applicant is or was licensed in good standing for the line of authority  
3 requested.

4 (2) The applicant seeks a license as travel insurance producer to per-  
5 sons selling transportation tickets of common carriers, who shall act as  
6 such producer only as to transportation ticket policies, or health or acci-  
7 dent insurance, or baggage insurance on personal effects in connection  
8 with such transportation tickets of common carriers.

9 (3) The applicant has been licensed in Kansas for the class of insur-  
10 ance the applicant is applying for and where the license has been vol-  
11 untarily surrendered for not more than two years prior to the date of the  
12 application with all educational requirements satisfied for the current  
13 licensing period and where the commissioner is satisfied that the appli-  
14 cant is trustworthy and competent.

15 (4) The applicant is an applicant for a license to write insurance on  
16 growing crops in this state and has been continuously licensed to write  
17 such coverage in this state on and after April 30, 1986.

18 (5) The applicant has qualified by examination, but due to clerical  
19 error by an insurance company, the applicant was not certified pursuant  
20 to K.S.A. 40-241i and amendments thereto. Such insurance company shall  
21 pay all appointment fees that would have been paid had the applicant  
22 been properly appointed plus the penalty prescribed by K.S.A. 40-241i  
23 and amendments thereto, for each violation.

24 (b) Any person licensed as an insurance producer pursuant to section  
25 6, and amendments thereto, in another state who moves to this state shall  
26 make application to become a resident licensee within 90 days after such  
27 person establishes legal residence in this state. Except as required by the  
28 commissioner by rule and regulation, no person who has been previously  
29 authorized for any line of authority shall be required to be examined in  
30 this state for the same line of authority.

31 New Sec. 9. (a) The commissioner may suspend, revoke or refuse  
32 renewal of any license issued under this act if the commissioner finds that  
33 the applicant or license holder has:

34 (1) Provided incorrect, misleading, incomplete or untrue information  
35 in the license application.

36 (2) Violated:

37 (A) Any provision of chapter 40 of the Kansas Statutes Annotated, and  
38 amendments thereto, or any rule and regulation promulgated thereunder;

39 (B) any subpoena or order of the commissioner;

40 (C) any insurance law or regulation of another state; or

41 (D) any subpoena or order issued by the regulatory official for insur-  
42 ance in another state.

43 (3) Obtained or attempted to obtain a license under this act through

1 misrepresentation or fraud.

2 (4) Improperly withheld, misappropriated or converted any moneys  
3 or properties received in the course of doing insurance business.

4 (5) Intentionally misrepresented the provisions, terms and conditions  
5 of an actual or proposed insurance contract or application for insurance.

6 (6) Been convicted of a misdemeanor or felony.

7 (7) Admitted to or been found to have committed any insurance un-  
8 fair trade practice or fraud in violation of K.S.A. 40-2404 and amendments  
9 thereto.

10 (8) Used any fraudulent, coercive, or dishonest practice, or demon-  
11 strated any incompetence, untrustworthiness or financial irresponsibility  
12 in the conduct of business in this state or elsewhere.

13 (9) Had an insurance producer license, or its equivalent, denied, sus-  
14 pended or revoked in any other state, district or territory.

15 (10) Forged another person's name to an application for insurance or  
16 to any document related to an insurance transaction.

17 (11) Improperly used notes or any other reference material to com-  
18 plete an examination for an insurance license issued under this act.

19 (12) Knowingly accepted insurance business from an individual who  
20 is not licensed.

21 (13) Failed to comply with any administrative or court order imposing  
22 a child support obligation upon the applicant or license holder.

23 (14) Failed to pay any state income tax or comply with any adminis-  
24 trative or court order directing payment of state income tax.

25 (15) Rebated the whole or any part of any insurance premium or  
26 offered in connection with the presentation of any contract of insurance  
27 any other inducement not contained in the contract of insurance.

28 (16) Made any misleading representation or incomplete comparison  
29 of policies to any person for the purposes of inducing or tending to induce  
30 such person to lapse, forfeit or surrender such person's insurance then in  
31 force.

32 (b) In addition, the commissioner may suspend, revoke or refuse re-  
33 newal of any license issued under this act if the commissioner finds that  
34 the interests of the insurer or the insurable interests of the public are not  
35 properly served under such license.

36 (c) Any action taken under this section which affects any license or  
37 imposes any administrative penalty shall be taken only after notice and  
38 an opportunity for a hearing conducted in accordance with the provisions  
39 of the Kansas administrative procedures act.

40 (d) The license of any business entity may be suspended, revoked or  
41 refused renewal if the insurance commissioner finds that any violation  
42 committed by an individual licensee employed by or acting on behalf of  
43 such business entity was known by or should have been known by one or

1 more of the partners, officers or managers acting on behalf of the business  
2 entity and:

3 (1) Such violation was not reported to the insurance commissioner  
4 by such business entity; or

5 (2) such business entity failed to take any corrective action.

6 (e) None of the following actions shall deprive the commissioner of  
7 any jurisdiction or right to institute or proceed with any disciplinary pro-  
8 ceeding against such license, to render a decision suspending, revoking  
9 or refusing to renew such license, or to establish and make a record of  
10 the facts of any violation of law for any lawful purpose:

11 (1) The imposition of an administrative penalty under this section;

12 (2) the lapse or suspension of any license issued under this act by  
13 operation of law;

14 (3) the licensee's failure to renew any license issued under this act;  
15 or

16 (4) the licensee's voluntary surrender of any license issued under this  
17 act. No such disciplinary proceeding shall be instituted against any li-  
18 censee after the expiration of two years from the termination of the  
19 license.

20 (f) Whenever the commissioner imposes any administrative penalty  
21 or denies, suspends, revokes or refuses renewal of any license pursuant  
22 to subsection (a), any costs incurred as a result of conducting an admin-  
23 istrative hearing authorized under the provisions of this section shall be  
24 assessed against the person who is the subject of the hearing or any busi-  
25 ness entity represented by such person who is the party to the matters  
26 giving rise to the hearing. As used in this subsection, "costs" shall include  
27 witness fees, mileage allowances, any costs associated with the reproduc-  
28 tion of documents which become a part of the hearing record and the  
29 expense of making a record of the hearing.

30 (g) No person whose license as a producer or broker had been sus-  
31 pended or revoked shall be employed by any insurance company doing  
32 business in this state either directly, indirectly, as an independent con-  
33 tractor or otherwise to negotiate or effect contracts of insurance, sure-  
34 tyship or indemnity or perform any act toward the solicitation of or trans-  
35 action of any business of insurance during the period of such suspension  
36 or revocation.

37 (h) In lieu of taking any action under subsection (a), the commis-  
38 sioner may:

39 (1) Censure the person; or

40 (2) issue an order imposing an administrative penalty up to a maxi-  
41 mum of \$500 for each violation but not to exceed \$2,500 for the same  
42 violation occurring within any six consecutive calendar months from the  
43 date of the original violation unless such person knew or should have



1 known that the violative act could give rise to disciplinary action under  
2 subsection (a). If such person knew or reasonably should have known the  
3 violative act could give rise to any disciplinary proceeding authorized by  
4 subsection (a), the commissioner may impose a penalty up to a maximum  
5 of \$1,000 for each violation but not to exceed \$5,000 for the same violation  
6 occurring within any six consecutive calendar months from the date of  
7 the imposition of the original administrative penalty.

8 (i) When the license of any producer is suspended, revoked or re-  
9 fused renewal, the broker's license of such person also shall be suspended,  
10 revoked or refused renewal.

11 New Sec. 10. (a) No insurance company or insurance producer shall  
12 pay a commission, service fee, brokerage or other valuable consideration  
13 to a person for selling, soliciting or negotiating insurance in this state if  
14 that person is required to be licensed under this act and is not so licensed.

15 (b) No person shall accept a commission, service fee, brokerage or  
16 other valuable consideration for selling, soliciting or negotiating insurance  
17 in this state if that person is required to be licensed under this act and is  
18 not so licensed.

19 (c) Renewal or other deferred commissions may be paid to a person  
20 for selling, soliciting or negotiating insurance in this state if:

21 (1) Such person was required to be licensed under this act at the time  
22 the sale, solicitation or negotiation of insurance occurred; and

23 (2) such person was licensed as required by this act when the sale,  
24 solicitation or negotiation of insurance occurred.

25 (d) An insurance producer may place a kind or kinds of business, for  
26 which such insurance producer is licensed pursuant to this act, with an  
27 insurer for which such insurance producer is not an agent, by placing  
28 such business through an agent of such insurer.

29 (e) An insurance producer may divide or share in commissions with  
30 other producers licensed to write the same kind or kinds of insurance  
31 provided the solicitation of such business shall be subject to subsection  
32 (d).

33 (f) Any insurance producer may pay or assign a commission, service  
34 fee, brokerage or any other valuable consideration to an insurance agency  
35 or any financial holding company which does not sell, solicit or negotiate  
36 insurance in this state unless such payment or assignment violates any  
37 provision of K.S.A. 40-2404 and amendments thereto.

38 New Sec. 11. A licensed insurance producer may receive compen-  
39 sation for or on account of negotiating contracts of insurance or placing  
40 or soliciting or effecting contracts of insurance. Nothing in this chapter  
41 shall abridge or restrict freedom of contract of insurance carriers or agents  
42 or brokers with reference to the amount of commissions or fees to be  
43 paid to such insurance producers and such payments are expressly au-

1 thorized. Insurance producers shall have the right to compensation other  
2 than commissions from any insured or prospective insured on account of  
3 negotiation or procurement of or other services in connection with con-  
4 tracts of insurance policies including adjustment of claims if such com-  
5 pensation is based upon a written agreement between the insurance pro-  
6 ducer and insured specifying the amount of such compensation. Nothing  
7 herein contained shall affect the right of any insurance producer to re-  
8 cover from the insured the amount of any premium or premiums for  
9 insurance placed by or through the insurance producer.

10 New Sec. 12. (a) Any company authorized to transact business in this  
11 state may, upon determining that the insurance producer is of good busi-  
12 ness reputation and, if an individual, has had experience in insurance or  
13 will immediately receive a course of instruction in insurance and on the  
14 policies and policy forms of such company, appoint such insurance pro-  
15 ducer as the insurance producer of the company under the license in  
16 effect for the insurance producer. The appointment shall be made on a  
17 form prescribed by the commissioner. Such form shall be sent to the  
18 commissioner within 30 days of the date the company appoints such in-  
19 surance producer. A nonrefundable appointment or certification fee set  
20 forth in K.S.A. 40-252, and amendments thereto, shall be paid in accord-  
21 ance with the billing procedures established by the commissioner. Such  
22 procedures shall require payment of the fees annually, based on the num-  
23 ber of insurance producers appointed during the calendar year preceding  
24 the return. The certification fees required by K.S.A. 40-252, and amend-  
25 ments thereto, shall be due for all insurance producers appointed by the  
26 company during the preceding calendar year, irrespective of the number  
27 of months the insurance producer was appointed for that year. The cer-  
28 tification fee shall not be returned for any reason, and failure of the com-  
29 pany to certify an insurance producer within 30 working days of such  
30 insurance producer's appointment shall subject the company to a penalty  
31 of not more than \$25 per calendar day from the date the appropriate  
32 return was required from the date of appointment to the date proper  
33 certification is recorded by the insurance department.

34 (b) Certification of other than an individual insurance producer will  
35 automatically include each licensed insurance producer who is an officer,  
36 director, partner, employee or otherwise legally associated with the cor-  
37 poration, association, partnership or other legal entity appointed by the  
38 company. The required annual certification fee shall be paid for each  
39 licensed insurance producer certified by the company and the prescribed  
40 reporting form shall be returned at the same time the company files its  
41 tax returns as required by K.S.A. 40-252, and amendments thereto.

42 (c) With respect to insurance on growing crops, evidence satisfactory  
43 to the commissioner that the insurance producer is qualified to transact

1 insurance in accordance with standards or procedures established by any  
2 branch of the federal government shall be deemed to be the equivalent  
3 of certification by a company.

4 (d) Duly licensed insurance producers transacting business in ac-  
5 cordance with the provisions of article 41 of chapter 40 of the Kansas  
6 Statutes Annotated, and amendments thereto, shall be deemed to be  
7 certified by a company for the kinds of insurance permitted under the  
8 license in effect for the insurance producer.

9 New Sec. 13. (a) (1) Each insurer shall notify the commissioner  
10 whenever such insurer terminates a business relationship with an insur-  
11 ance producer if:

12 (A) The termination is for cause;

13 (B) such insurance producer has committed any act which would be  
14 in violation of any provision of subsection (a) of section 9, and amend-  
15 ments thereto; or

16 (C) such insurer has knowledge that such insurance producer is en-  
17 gaged in any activity which would be in violation of any provision of sub-  
18 section (a) of section 9, and amendments thereto.

19 (2) The notification shall:

20 (A) Be made in a format prescribed by the commissioner;

21 (B) be submitted to the commissioner within 30 days of the date of  
22 the termination of the business relationship; and

23 (C) contain:

24 (i) The name of the insurance producer; and

25 (ii) the reason for the termination of the business relationship with  
26 such insurer.

27 (3) Upon receipt of a written request from the commissioner, each  
28 insurer shall provide to the commissioner any additional data, documents,  
29 records or other information concerning the termination of the insurer's  
30 business relationship with such producer.

31 (4) Whenever an insurer discovers or obtains additional information  
32 which would have been reportable under paragraph (1) of this subsection,  
33 the insurer shall forward such additional information to the commissioner  
34 within 30 days of its discovery.

35 (b) (1) Each insurer shall notify the commissioner whenever such  
36 insurer terminates a business relationship with an insurance producer for  
37 any reason not listed in subsection (a).

38 (2) The notification shall:

39 (A) Be made in a format prescribed by the commissioner;

40 (B) be submitted to the commissioner within 30 days of the date of  
41 the termination of the business relationship.

42 (3) Upon receipt of a written request from the commissioner, each  
43 insurer shall provide to the commissioner any additional data, documents,

1 records or other information concerning the termination of the insurer's  
2 business relationship with such producer.

3 (4) Whenever an insurer discovers or obtains additional information  
4 which would have been reportable under paragraph (1) of this subsection,  
5 the insurer shall forward such additional information to the commissioner  
6 within 30 days of its discovery.

7 (c) For the purposes of this section, the term "business relationship"  
8 shall include any appointment, employment, contract or other relation-  
9 ship under which such insurance producer represents the insurer.

10 (d) No insurance entity, or any agent or employee thereof acting on  
11 behalf of such insurance entity, any regulatory official, any law enforce-  
12 ment official or the insurance regulatory official of another state who  
13 provides information to the commissioner in good faith pursuant to this  
14 section shall be subject to a civil action for damages as a result of reporting  
15 such information to the commissioner.

16 (e) (1) No insurance entity, or any agent or employee thereof acting  
17 on behalf of such insurance entity, regulatory official, law enforcement  
18 official or the insurance regulatory official of another state who provides  
19 information to the commissioner in good faith pursuant to this section  
20 shall be subject to a civil action for damages as a result of reporting such  
21 information to the commissioner. For the purposes of this section, insur-  
22 ance entity shall mean any insurer, insurance producer or organization to  
23 which the commissioner belongs by virtue of the commissioner's office.

24 (2) Any document, material or other information in the control or  
25 possession of the department that is furnished by an insurance entity or  
26 an employee or agent thereof acting on behalf of such insurance entity,  
27 or obtained by the insurance commissioner in an investigation pursuant  
28 to this section shall be kept confidential by the commissioner. Such in-  
29 formation shall not be made public or subject to subpoena, other than by  
30 the commissioner and then only for the purpose of enforcement actions  
31 taken by the commissioner pursuant to this act or any other provision of  
32 the insurance laws of this state.

33 (3) Neither the commissioner nor any person who received docu-  
34 ments, materials or other information while acting under the authority of  
35 the commissioner shall be required to testify in any private civil action  
36 concerning any confidential documents, materials or information subject  
37 to paragraph (2).

38 (4) The commissioner may share or exchange any documents, ma-  
39 terials or other information, including confidential and privileged docu-  
40 ments referred to in paragraph (2) of subsection (e), received in the per-  
41 formance of the commissioner's duties under this act, with:

42 (A) The NAIC;

43 (B) other state, federal or international regulatory agencies; and

1 (C) other state, federal or international law enforcement authorities.

2 (5) (A) The sharing or exchanging of documents, materials or other  
3 information under this subsection shall be conditioned upon the recipi-  
4 ent's authority and agreement to maintain the confidential and privileged  
5 status, if any, of the documents, materials or other information being  
6 shared or exchanged.

7 (B) No waiver of an existing privilege or claim of confidentiality in  
8 the documents, materials or information shall occur as a result of disclo-  
9 sure to the commissioner under this section or as a result of sharing as  
10 authorized by paragraph (1) of subsection (e).

11 (6) The commissioner of insurance is hereby authorized to adopt such  
12 rules and regulations establishing protocols governing the exchange of  
13 information as may be necessary to implement and carry out the provi-  
14 sions of this act.

15 (f) The provisions of paragraph (2) of subsection (e) shall expire on  
16 July 1, 2006, unless the legislature acts to reenact such provision. The  
17 provisions of paragraph (2) of subsection (e) shall be reviewed by the  
18 legislature prior to July 1, 2006.

19 (g) For the purposes of this section, insurance entity shall mean any  
20 insurer, insurance producer or organization to which the commissioner  
21 belongs by virtue of the commissioner's office.

22 (h) Any insurance entity, including any authorized representative of  
23 such insurance entity, that fails to report to the commissioner as required  
24 under the provisions of this section or that is found by a court of com-  
25 petent jurisdiction to have failed to report in good faith, after notice and  
26 hearing, may have its license or certificate of authority suspended or re-  
27 voked and may be fined in accordance with section 9 and amendments  
28 thereto.

29 New Sec. 14. (a) Subject to the provisions of section 8, and amend-  
30 ments thereto, the commissioner shall waive any license application  
31 requirements for a nonresident insurance producer license if:

32 (1) The applicant has a valid current license issued by such applicant's  
33 home state; and

34 (2) the applicant's home state awards nonresident licenses to resi-  
35 dents of this state on the same basis.

36 (b) A nonresident producer's satisfaction of such insurance pro-  
37 ducer's home state's continuing education requirements for licensed in-  
38 surance producers shall constitute satisfaction of this state's continuing  
39 education requirements if the nonresident producer's home state accepts  
40 satisfaction of its continuing education requirements imposed upon pro-  
41 ducers from this state as satisfying the continuing education requirements  
42 imposed by the nonresident insurance producer's home state on the same  
43 basis.

1 New Sec. 15. (a) Notwithstanding the provisions of sections 3 and 6,  
2 and amendments thereto, any person who is currently licensed as an in-  
3 surance agent on the day before the effective date of this act and whose  
4 biennial due date occurred during the 24 calendar months immediately  
5 preceding the effective date of this act shall be deemed to be licensed as  
6 an insurance producer under this act unless such person's license has  
7 been suspended, revoked or refused renewal prior to the effective date  
8 of this act.

9 (b) Any person licensed as an insurance producer under the provi-  
10 sions of subsection (a) shall renew such license in accordance with the  
11 provisions of this act on or before the first occurrence of such person's  
12 biennial due date after the effective date of this act.

13 New Sec. 16. In accordance with the provisions of the rules and reg-  
14 ulations filing act, K.S.A. 77-415 *et seq.* and amendments thereto, the  
15 commissioner may adopt, amend and revoke rules and regulations gov-  
16 erning the administration and enforcement of this act, including but not  
17 limited to:

18 (a) Criteria for approval of continuing education materials and as-  
19 signing C.E.C. values for such materials;

20 (b) any form required to implement this act, subject to the condition  
21 that any application form shall substantially comply with any requirements  
22 imposed by the NAIC;

23 (c) any application for examination or licensure under this act;

24 (d) any examination for licensing under this act;

25 (e) any report which may be required by this act; and

26 (f) such other rules and regulations as the commissioner may deem  
27 necessary to carry out the provisions of this act.

28 New Sec. 17. The commissioner shall remit all moneys received by  
29 or for the commissioner under the provisions of this act to the state trea-  
30 surer at least monthly. Upon receipt of each such remittance, the state  
31 treasurer shall deposit the entire amount thereof in the state treasury and  
32 such amount shall be credited to the insurance department service reg-  
33 ulation fund.

34 New Sec. 18. The commissioner may enter into any contracts or pur-  
35 chase any services necessary to implement the provisions of this act.

36 Sec. 19. K.S.A. 40-3702 is hereby amended to read as follows: 40-  
37 3702. As used in this act: ~~(a)~~, "broker" means any individual who acts or  
38 aids in any manner in negotiating contracts of insurance, or in placing  
39 risks or in soliciting or effecting contracts of insurance as an agent for an  
40 insured other than ~~himself or herself~~ *such individual* and not as an agent  
41 of an insurance company or any other type of insurance carrier. The term  
42 "broker" shall not include a person working as an officer for an insurance  
43 carrier, or in a clerical, administrative or service capacity for an insurance

1 carrier, licensed agent or broker, provided that ~~the~~ *such* person does not  
2 solicit contracts of insurance. The term “broker” shall not include an  
3 attorney-at-law in the performance of ~~his or her~~ *such attorney’s* duties,  
4 an insured who places or negotiates the placement of ~~his or her~~ *such*  
5 *insured’s* own insurance, or any employee of an insured engaged in plac-  
6 ing or negotiating for placement of insurance for ~~his or her~~ *such em-*  
7 *ployee’s* employer.

8 ~~(b) “Casualty insurance broker’s license” means a license issued pur-~~  
9 ~~suant to the provisions of this act for the brokerage of property and ca-~~  
10 ~~sualty insurance.~~

11 ~~—(c) “Commissioner” means the commissioner of insurance.~~

12 ~~—(d) “Life insurance broker’s license” means a license issued pursuant~~  
13 ~~to the provisions of this act for the brokerage of life and accident and~~  
14 ~~health insurance.~~

15 Sec. 20. K.S.A. 40-239, 40-240, 40-240f, 40-241a, 40-241b, 40-241c,  
16 40-241d, 40-241e, 40-241f, 40-241g, 40-241i, 40-242, 40-245, 40-246, 40-  
17 3701, 40-3702, 40-3703, 40-3704, 40-3705, 40-3706, 40-3707, 40-3708,  
18 40-3709, 40-3710, 40-3711, 40-3712, 40-3713 and 40-3714 are hereby  
19 repealed.

20 Sec. 21. This act shall take effect and be in force from and after its  
21 publication in the statute book.

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