

SENATE BILL No. 392

By Committee on Financial Institutions and Insurance

1-29

10 AN ACT relating to the committee on surety bonds and insurance; au-
11 thORIZING competitive negotiation for certain contracts; **amending**
12 **K.S.A. 75-4105 and 75-4109 and repealing the existing sections.**

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 **New** Section 1. (a) The committee on surety bonds and insurance
16 is hereby authorized to negotiate and enter into contracts with qualified
17 insurers and sureties for the purpose of purchasing insurance, surety cov-
18 erage and similar coverages, **including the purchase of insurance, sur-**
19 **ety coverage and similar coverage for any state agency authorized**
20 **by law to make such purchase**, and the acquisition of consulting and
21 other services necessary therefor. The committee shall advertise for pro-
22 posals, shall negotiate with not less than three firms or other parties sub-
23 mitting proposals, and shall select from among those submitting proposals
24 the firm or other contracting party to contract with for the purpose of
25 entering into contracts. The division of purchases shall: (1) Maintain re-
26 cords of the requests for proposals; (2) handle the receipt of proposals;
27 and (3) assist the committee in negotiating procedures and the award of
28 contracts.

29 (b) The provisions of K.S.A. 75-4317 through 75-4320a, and amend-
30 ments thereto, shall not apply to meetings of the committee when the
31 committee meets solely for the purpose of discussing and preparing strat-
32 egies for negotiations for such contracts.

33 (c) Contracts entered into pursuant to this section, shall not be sub-
34 ject to the provisions of K.S.A. 75-3738 to 75-3740, inclusive, and amend-
35 ments thereto. Such contracts may be for terms of not more than three
36 years and may be renegotiated and renewed. All such contracts shall be
37 subject to the limits of appropriations made or available therefor and
38 subject to the provisions of appropriations acts relating thereto.

39 (d) The provisions of this section shall be a complete alternative to
40 other procurement procedures available to the committee pursuant to
41 law.

42 **Sec. 2. K.S.A. 75-4105 is hereby amended to read as follows:**
43 **75-4105. All Except as provided in section 1, and amendments thereto,**

1 *all surety bonds and insurance contracts purchased pursuant to this*
2 *act shall be purchased by the committee in the manner prescribed*
3 *for the purchase of supplies, materials, equipment or contractual*
4 *services under K.S.A. 75-3738 to 75-3744, inclusive, and amend-*
5 *ments thereto. The director of accounts and reports shall not pay*
6 *any premium or rate on any surety bond or insurance contract until*
7 *the purchase of such surety bond or contract shall have been ap-*
8 *proved by the secretary of the committee. Surety bonds or insurance*
9 *contracts having a premium or rate in excess of \$500 purchased*
10 *hereunder shall be purchased on sealed bids as provided by law for*
11 *the purchase of other materials, equipment or contractual services.*
12 *Where more than one state agency is covered by any bond or in-*
13 *surance contract, the committee shall prorate the cost of premiums*
14 *or rates on any and all such bonds or contracts, except as provided*
15 *in K.S.A. 75-4114, and amendments thereto, purchased as charges*
16 *upon the funds of the state agency wherein any covered state offi-*
17 *cers or employees are employed or covered property is located or*
18 *controlled. Such prorated charges shall constitute a lawful charge*
19 *by the committee upon the funds available to any such state agency*
20 *and shall be paid by each such state agency to the committee, or to*
21 *the surety or insurance carrier if the committee requires it, in the*
22 *manner provided by law for the payment of other obligations of*
23 *such state agency.*

24 *Sec. 3. K.S.A. 75-4109 is hereby amended to read as follows:*
25 *75-4109. (a) The committee, at least once every three years, shall*
26 *approve the property and casualty insurance coverages that shall*
27 *be purchased by each state agency.*

28 *(b) The committee shall require that each state agency purchase*
29 *the insurance coverages prescribed by K.S.A. 74-4703, 74-4705, 74-*
30 *4707, 75-712e, 75-2728, 76-218, 76-391, 76-394, 76-747 and 76-*
31 *491, and amendments to these sections, and shall prescribe the*
32 *terms, conditions and amounts of such coverage giving due regard*
33 *to the operations and requirements of the agencies involved.*

34 *(c) The committee shall, in addition to the coverages specified*
35 *in subsection (b), designate the insurance coverages to be purchased*
36 *by each state agency that are deemed by the committee to be nec-*
37 *essary to protect the state for property of others that may be in the*
38 *possession or control of such state agencies.*

39 *(d) Such coverages as are specified in subsections (b) and (c)*
40 *may also include coverages on property of the state that are deemed*
41 *by the committee to be incidental to the basic coverages herein re-*
42 *quired, and the committee shall prescribe the terms, conditions and*
43 *amounts of all insurance coverages purchased pursuant to this sec-*

1 *tion. Property of the state board of regents of any university or*
2 *college which is referred to in subsection (b) may be self-insured as*
3 *provided under this act.*

4 *(e) No property insurance coverage may be purchased by the*
5 *committee, except as provided herein or by section 1, and amendments*
6 *thereto, or specifically required by other Kansas statutes or*
7 *appropriations.*

8 **Sec. 4. K.S.A. 75-4105 and 75-4109 are hereby repealed.**

9 **Sec. ~~2~~ 5.** This act shall take effect and be in force from and after its
10 publication in the statute book.