

## HOUSE BILL No. 2994

By Committee on Federal and State Affairs

4-4

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9 AN ACT amending the unfair trade practice act; amending K.S.A. 2007  
10 Supp. 40-2404 and repealing the existing section.

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

13 Section 1. K.S.A. 2007 Supp. 40-2404 is hereby amended to read as  
14 follows: 40-2404. The following are hereby defined as unfair methods of  
15 competition and unfair or deceptive acts or practices in the business of  
16 insurance:

17 (1) *Misrepresentations and false advertising of insurance policies.*  
18 Making, issuing, circulating or causing to be made, issued or circulated,  
19 any estimate, illustration, circular, statement, sales presentation, omission  
20 or comparison which:

21 (a) Misrepresents the benefits, advantages, conditions or terms of any  
22 insurance policy;

23 (b) misrepresents the dividends or share of the surplus to be received  
24 on any insurance policy;

25 (c) makes any false or misleading statements as to the dividends or  
26 share of surplus previously paid on any insurance policy;

27 (d) is misleading or is a misrepresentation as to the financial condition  
28 of any person, or as to the legal reserve system upon which any life insurer  
29 operates;

30 (e) uses any name or title of any insurance policy or class of insurance  
31 policies misrepresenting the true nature thereof;

32 (f) is a misrepresentation for the purpose of inducing or tending to  
33 induce the lapse, forfeiture, exchange, conversion or surrender of any  
34 insurance policy;

35 (g) is a misrepresentation for the purpose of effecting a pledge or  
36 assignment of or effecting a loan against any insurance policy; or

37 (h) misrepresents any insurance policy as being shares of stock.

38 (2) *False information and advertising generally.* Making, publishing,  
39 disseminating, circulating or placing before the public, or causing, directly  
40 or indirectly, to be made, published, disseminated, circulated or placed  
41 before the public, in a newspaper, magazine or other publication, or in  
42 the form of a notice, circular, pamphlet, letter or poster, or over any radio  
43 or television station, or in any other way, an advertisement, announce-

1 ment or statement containing any assertion, misrepresentation or state-  
2 ment with respect to the business of insurance or with respect to any  
3 person in the conduct of such person's insurance business, which is un-  
4 true, deceptive or misleading.

5 (3) *Defamation.* Making, publishing, disseminating or circulating, di-  
6 rectly or indirectly, or aiding, abetting or encouraging the making, pub-  
7 lishing, disseminating or circulating of any oral or written statement or  
8 any pamphlet, circular, article or literature which is false, or maliciously  
9 critical of or derogatory to the financial condition of any person, and which  
10 is calculated to injure such person.

11 (4) *Boycott, coercion and intimidation.* Entering into any agreement  
12 to commit, or by any concerted action committing, any act of boycott,  
13 coercion or intimidation resulting in or tending to result in unreasonable  
14 restraint of the business of insurance, or by any act of boycott, coercion  
15 or intimidation monopolizing or attempting to monopolize any part of the  
16 business of insurance.

17 (5) *False statements and entries.* (a) Knowingly filing with any super-  
18 visory or other public official, or knowingly making, publishing, dissemi-  
19 nating, circulating or delivering to any person, or placing before the pub-  
20 lic, or knowingly causing directly or indirectly, to be made, published,  
21 disseminated, circulated, delivered to any person, or placed before the  
22 public, any false material statement of fact as to the financial condition  
23 of a person.

24 (b) Knowingly making any false entry of a material fact in any book,  
25 report or statement of any person or knowingly omitting to make a true  
26 entry of any material fact pertaining to the business of such person in any  
27 book, report or statement of such person.

28 (6) *Stock operations and advisory board contracts.* Issuing or deliver-  
29 ing or permitting agents, officers or employees to issue or deliver,  
30 agency company stock or other capital stock, or benefit certificates or  
31 shares in any common-law corporation, or securities or any special or  
32 advisory board contracts or other contracts of any kind promising returns  
33 and profits as an inducement to insurance. Nothing herein shall prohibit  
34 the acts permitted by K.S.A. 40-232, and amendments thereto.

35 (7) *Unfair discrimination.* (a) Making or permitting any unfair dis-  
36 crimination between individuals of the same class and equal expectation  
37 of life in the rates charged for any contract of life insurance or life annuity  
38 or in the dividends or other benefits payable thereon, or in any other of  
39 the terms and conditions of such contract.

40 (b) Making or permitting any unfair discrimination between individ-  
41 uals of the same class and of essentially the same hazard in the amount  
42 of premium, policy fees or rates charged for any policy or contract of  
43 accident or health insurance or in the benefits payable thereunder, or in

1 any of the terms or conditions of such contract, or in any other manner  
2 whatever.

3 (c) Refusing to insure, or refusing to continue to insure, or limiting  
4 the amount, extent or kind of coverage available to an individual, or charg-  
5 ing an individual a different rate for the same coverage solely because of  
6 blindness or partial blindness. With respect to all other conditions, in-  
7 cluding the underlying cause of the blindness or partial blindness, persons  
8 who are blind or partially blind shall be subject to the same standards of  
9 sound actuarial principles or actual or reasonably anticipated experience  
10 as are sighted persons. Refusal to insure includes denial by an insurer of  
11 disability insurance coverage on the grounds that the policy defines “dis-  
12 ability” as being presumed in the event that the insured loses such per-  
13 son’s eyesight. However, an insurer may exclude from coverage disabili-  
14 ties consisting solely of blindness or partial blindness when such condition  
15 existed at the time the policy was issued.

16 (d) Refusing to insure, or refusing to continue to insure, or limiting  
17 the amount, extent or kind of coverage available for accident and health  
18 and life insurance to an applicant who is the proposed insured or charge  
19 a different rate for the same coverage or excluding or limiting coverage  
20 for losses or denying a claim incurred by an insured as a result of abuse  
21 based on the fact that the applicant who is the proposed insured is, has  
22 been, or may be the subject of domestic abuse, except as provided in  
23 subpart (v). “Abuse” as used in this subsection (7)(d) means one or more  
24 acts defined in subsection (a) or (b) of K.S.A. 60-3102 and amendments  
25 thereto between family members, current or former household members,  
26 or current or former intimate partners.

27 (i) An insurer may not ask an applicant for life or accident and health  
28 insurance who is the proposed insured if the individual is, has been or  
29 may be the subject of domestic abuse or seeks, has sought or had reason  
30 to seek medical or psychological treatment or counseling specifically for  
31 abuse, protection from abuse or shelter from abuse.

32 (ii) Nothing in this section shall be construed to prohibit a person  
33 from declining to issue an insurance policy insuring the life of an individ-  
34 ual who is, has been or has the potential to be the subject of abuse if the  
35 perpetrator of the abuse is the applicant or would be the owner of the  
36 insurance policy.

37 (iii) No insurer that issues a life or accident and health policy to an  
38 individual who is, has been or may be the subject of domestic abuse shall  
39 be subject to civil or criminal liability for the death or any injuries suffered  
40 by that individual as a result of domestic abuse.

41 (iv) No person shall refuse to insure, refuse to continue to insure,  
42 limit the amount, extent or kind of coverage available to an individual or  
43 charge a different rate for the same coverage solely because of physical

1 or mental condition, except where the refusal, limitation or rate differ-  
2 ential is based on sound actuarial principles.

3 (v) Nothing in this section shall be construed to prohibit a person  
4 from underwriting or rating a risk on the basis of a preexisting physical  
5 or mental condition, even if such condition has been caused by abuse,  
6 provided that:

7 (A) The person routinely underwrites or rates such condition in the  
8 same manner with respect to an insured or an applicant who is not a  
9 victim of abuse;

10 (B) the fact that an individual is, has been or may be the subject of  
11 abuse may not be considered a physical or mental condition; and

12 (C) such underwriting or rating is not used to evade the intent of this  
13 section or any other provision of the Kansas insurance code.

14 (vi) Any person who underwrites or rates a risk on the basis of pre-  
15 existing physical or mental condition as set forth in subsection (7)(d)(v),  
16 shall treat such underwriting or rating as an adverse underwriting decision  
17 pursuant to K.S.A. 40-2,112, and amendments thereto.

18 (vii) The provisions of subsection (d) shall apply to all policies of life  
19 and accident and health insurance issued in this state after the effective  
20 date of this act and all existing contracts which are renewed on or after  
21 the effective date of this act.

22 (8) *Rebates.* (a) Except as otherwise expressly provided by law, know-  
23 ingly permitting, offering to make or making any contract of life insur-  
24 ance, life annuity or accident and health insurance, or agreement as to  
25 such contract other than as plainly expressed in the insurance contract  
26 issued thereon; paying, allowing, giving or offering to pay, allow or give,  
27 directly or indirectly, as inducement to such insurance, or annuity, any  
28 rebate of premiums payable on the contract, any special favor or advan-  
29 tage in the dividends or other benefits thereon, or any valuable consid-  
30 eration or inducement whatever not specified in the contract; or giving,  
31 selling, purchasing or offering to give, sell or purchase as inducement to  
32 such insurance contract or annuity or in connection therewith, any stocks,  
33 bonds or other securities of any insurance company or other corporation,  
34 association or partnership, or any dividends or profits accrued thereon,  
35 or anything of value whatsoever not specified in the contract.

36 (b) Nothing in subsection (7) or (8)(a) shall be construed as including  
37 within the definition of discrimination or rebates any of the following  
38 practices:

39 (i) In the case of any contract of life insurance or life annuity, paying  
40 bonuses to policyholders or otherwise abating their premiums in whole  
41 or in part out of surplus accumulated from nonparticipating insurance.  
42 Any such bonuses or abatement of premiums shall be fair and equitable  
43 to policyholders and for the best interests of the company and its

- 1 policyholders;
- 2 (ii) in the case of life insurance policies issued on the industrial debit  
3 plan, making allowance to policyholders who have continuously for a spec-  
4 ified period made premium payments directly to an office of the insurer  
5 in an amount which fairly represents the saving in collection expenses; or
- 6 (iii) readjustment of the rate of premium for a group insurance policy  
7 based on the loss or expense experience thereunder, at the end of the  
8 first or any subsequent policy year of insurance thereunder, which may  
9 be made retroactive only for such policy year.
- 10 (9) *Unfair claim settlement practices.* It is an unfair claim settlement  
11 practice if any of the following or any rules and regulations pertaining  
12 thereto are: (A) Committed flagrantly and in conscious disregard of such  
13 provisions, or (B) committed with such frequency as to indicate a general  
14 business practice.
- 15 (a) Misrepresenting pertinent facts or insurance policy provisions re-  
16 lating to coverages at issue;
- 17 (b) failing to acknowledge and act reasonably promptly upon com-  
18 munications with respect to claims arising under insurance policies;
- 19 (c) failing to adopt and implement reasonable standards for the  
20 prompt investigation of claims arising under insurance policies;
- 21 (d) refusing to pay claims without conducting a reasonable investi-  
22 gation based upon all available information;
- 23 (e) failing to affirm or deny coverage of claims within a reasonable  
24 time after proof of loss statements have been completed;
- 25 (f) not attempting in good faith to effectuate prompt, fair and equi-  
26 table settlements of claims in which liability has become reasonably clear;
- 27 (g) compelling insureds to institute litigation to recover amounts due  
28 under an insurance policy by offering substantially less than the amounts  
29 ultimately recovered in actions brought by such insureds;
- 30 (h) attempting to settle a claim for less than the amount to which a  
31 reasonable person would have believed that such person was entitled by  
32 reference to written or printed advertising material accompanying or  
33 made part of an application;
- 34 (i) attempting to settle claims on the basis of an application which  
35 was altered without notice to, or knowledge or consent of the insured;
- 36 (j) making claims payments to insureds or beneficiaries not accom-  
37 panied by a statement setting forth the coverage under which payments  
38 are being made;
- 39 (k) making known to insureds or claimants a policy of appealing from  
40 arbitration awards in favor of insureds or claimants for the purpose of  
41 compelling them to accept settlements or compromises less than the  
42 amount awarded in arbitration;
- 43 (l) delaying the investigation or payment of claims by requiring an

1 insured, claimant or the physician of either to submit a preliminary claim  
2 report and then requiring the subsequent submission of formal proof of  
3 loss forms, both of which submissions contain substantially the same  
4 information;

5 (m) failing to promptly settle claims, where liability has become rea-  
6 sonably clear, under one portion of the insurance policy coverage in order  
7 to influence settlements under other portions of the insurance policy cov-  
8 erage; or

9 (n) failing to promptly provide a reasonable explanation of the basis  
10 in the insurance policy in relation to the facts or applicable law for denial  
11 of a claim or for the offer of a compromise settlement.

12 (10) *Failure to maintain complaint handling procedures.* Failure of  
13 any person, who is an insurer on an insurance policy, to maintain a com-  
14 plete record of all the complaints which it has received since the date of  
15 its last examination under K.S.A. 40-222, and amendments thereto; but  
16 no such records shall be required for complaints received prior to the  
17 effective date of this act. The record shall indicate the total number of  
18 complaints, their classification by line of insurance, the nature of each  
19 complaint, the disposition of the complaints, the date each complaint was  
20 originally received by the insurer and the date of final disposition of each  
21 complaint. For purposes of this subsection, “complaint” means any writ-  
22 ten communication primarily expressing a grievance related to the acts  
23 and practices set out in this section.

24 (11) *Misrepresentation in insurance applications.* Making false or  
25 fraudulent statements or representations on or relative to an application  
26 for an insurance policy, for the purpose of obtaining a fee, commission,  
27 money or other benefit from any insurer, agent, broker or individual.

28 (12) *Statutory violations.* Any violation of any of the provisions of  
29 K.S.A. 40-216, 40-276a, 40-2,155 or 40-1515 and amendments thereto.

30 (13) *Disclosure of information relating to adverse underwriting de-*  
31 *cisions and refund of premiums.* Failing to comply with the provisions of  
32 K.S.A. 40-2,112, and amendments thereto, within the time prescribed in  
33 such section.

34 (14) *Rebates and other inducements in title insurance.* (a) No title  
35 insurance company or title insurance agent, or any officer, employee,  
36 attorney, agent or solicitor thereof, may pay, allow or give, or offer to pay,  
37 allow or give, directly or indirectly, as an inducement to obtaining any  
38 title insurance business, any rebate, reduction or abatement of any rate  
39 or charge made incident to the issuance of such insurance, any special  
40 favor or advantage not generally available to others of the same classifi-  
41 cation, or any money, thing of value or other consideration or material  
42 inducement. The words “charge made incident to the issuance of such  
43 insurance” includes, without limitations, escrow, settlement and closing

1 charges.

2 (b) No insured named in a title insurance policy or contract nor any  
3 other person directly or indirectly connected with the transaction involv-  
4 ing the issuance of the policy or contract, including, but not limited to,  
5 mortgage lender, real estate broker, builder, attorney or any officer, em-  
6 ployee, agent representative or solicitor thereof, or any other person may  
7 knowingly receive or accept, directly or indirectly, any rebate, reduction  
8 or abatement of any charge, or any special favor or advantage or any  
9 monetary consideration or inducement referred to in (14)(a).

10 (c) Nothing in this section shall be construed as prohibiting:

11 (i) The payment of reasonable fees for services actually rendered to  
12 a title insurance agent in connection with a title insurance transaction;

13 (ii) the payment of an earned commission to a duly appointed title  
14 insurance agent for services actually performed in the issuance of the  
15 policy of title insurance; or

16 (iii) the payment of reasonable entertainment and advertising  
17 expenses.

18 (d) Nothing in this section prohibits the division of rates and charges  
19 between or among a title insurance company and its agent, or one or  
20 more title insurance companies and one or more title insurance agents,  
21 if such division of rates and charges does not constitute an unlawful rebate  
22 under the provisions of this section and is not in payment of a forwarding  
23 fee or a finder's fee.

24 (e) As used in paragraphs (e) through (i)(7) of this subpart, unless the  
25 context otherwise requires:

26 (i) "Associate" means any firm, association, organization, partnership,  
27 business trust, corporation or other legal entity organized for profit in  
28 which a producer of title business is a director, officer or partner thereof,  
29 or owner of a financial interest; the spouse or any relative within the  
30 second degree by blood or marriage of a producer of title business who  
31 is a natural person; any director, officer or employee of a producer of title  
32 business or associate; any legal entity that controls, is controlled by, or is  
33 under common control with a producer of title business or associate; and  
34 any natural person or legal entity with whom a producer of title business  
35 or associate has any agreement, arrangement or understanding or pursues  
36 any course of conduct, the purpose or effect of which is to evade the  
37 provisions of this section.

38 (ii) "Financial interest" means any direct or indirect interest, legal or  
39 beneficial, where the holder thereof is or will be entitled to 1% or more  
40 of the net profits or net worth of the entity in which such interest is held.  
41 Notwithstanding the foregoing, an interest of less than 1% or any other  
42 type of interest shall constitute a "financial interest" if the primary pur-  
43 pose of the acquisition or retention of that interest is the financial benefit

1 to be obtained as a consequence of that interest from the referral of title  
2 business.

3 (iii) "Person" means any natural person, partnership, association, co-  
4 operative, corporation, trust or other legal entity.

5 (iv) "Producer of title business" or "producer" means any person,  
6 including any officer, director or owner of 5% or more of the equity or  
7 capital or both of any person, engaged in this state in the trade, business,  
8 occupation or profession of:

9 (A) Buying or selling interests in real property;

10 (B) making loans secured by interests in real property; or

11 (C) acting as broker, agent, representative or attorney for a person  
12 who buys or sells any interest in real property or who lends or borrows  
13 money with such interest as security.

14 (v) "Refer" means to direct or cause to be directed or to exercise any  
15 power or influence over the direction of title insurance business, whether  
16 or not the consent or approval of any other person is sought or obtained  
17 with respect to the referral.

18 (f) No title insurer or title agent may accept any order for, issue a  
19 title insurance policy to, or provide services to, an applicant if it knows  
20 or has reason to believe that the applicant was referred to it by any pro-  
21 ducer of title business or by any associate of such producer, where the  
22 producer, the associate, or both, have a financial interest in the title in-  
23 surer or title agent to which business is referred unless the producer has  
24 disclosed to the buyer, seller and lender the financial interest of the pro-  
25 ducer of title business or associate referring the title insurance business.

26 (g) No title insurer or title agent may accept an order for title insur-  
27 ance business, issue a title insurance policy, or receive or retain any pre-  
28 mium, or charge in connection with any transaction if: (i) The title insurer  
29 or title agent knows or has reason to believe that the transaction will  
30 constitute controlled business for that title insurer or title agent, and (ii)  
31 70% or more of the closed title orders of that title insurer or title agent  
32 during the 12 full calendar months immediately preceding the month in  
33 which the transaction takes place is derived from controlled business. The  
34 prohibitions contained in this subparagraph shall not apply to transactions  
35 involving real estate located in a county that has a population, as shown  
36 by the last preceding decennial census, of 10,000 or less.

37 (h) Within 90 days following the end of each business year, as estab-  
38 lished by the title insurer or title agent, each title insurer or title agent  
39 shall file with the department of insurance and any title insurer with which  
40 the title agent maintains an underwriting agreement, a report executed  
41 by the title insurer's or title agent's chief executive officer or designee,  
42 under penalty of perjury, stating the percent of closed title orders origi-  
43 nating from controlled business. The failure of a title insurer or title agent



1 to comply with the requirements of this section, at the discretion of the  
2 commissioner, shall be grounds for the suspension or revocation of a  
3 license or other disciplinary action, with the commissioner able to miti-  
4 gate any such disciplinary action if the title insurer or title agent is found  
5 to be in substantial compliance with competitive behavior as defined by  
6 federal housing and urban development statement of policy 1996-2.

7 (i) (1) No title insurer or title agent may accept any title insurance  
8 order or issue a title insurance policy to any person if it knows or has  
9 reason to believe that such person was referred to it by any producer of  
10 title business or by any associate of such producer, where the producer,  
11 the associate, or both, have a financial interest in the title insurer or title  
12 agent to which business is referred unless the producer has disclosed in  
13 writing to the person so referred the fact that such producer or associate  
14 has a financial interest in the title insurer or title agent, the nature of the  
15 financial interest and a written estimate of the charge or range of charges  
16 generally made by the title insurer or agent for the title services. Such  
17 disclosure shall include language stating that the consumer is not obli-  
18 gated to use the title insurer or agent in which the referring producer or  
19 associate has a financial interest and shall include the names and tele-  
20 phone numbers of not less than three other title insurers or agents which  
21 operate in the county in which the property is located. If fewer than three  
22 insurers or agents operate in that county, the disclosure shall include all  
23 title insurers or agents operating in that county. Such written disclosure  
24 shall be signed by the person so referred and must have occurred prior  
25 to any commitment having been made to such title insurer or agent.

26 (2) No producer of title business or associate of such producer shall  
27 require, directly or indirectly, as a condition to selling or furnishing any  
28 other person any loan or extension thereof, credit, sale, property, contract,  
29 lease or service, that such other person shall purchase title insurance of  
30 any kind through any title agent or title insurer if such producer has a  
31 financial interest in such title agent or title insurer.

32 (3) No title insurer or title agent may accept any title insurance order  
33 or issue a title insurance policy to any person it knows or has reason to  
34 believe that the name of the title company was pre-printed in the sales  
35 contract, prior to the buyer or seller selecting that title company.

36 (4) Nothing in this subpart (i) shall prohibit any producer of title  
37 business or associate of such producer from referring title business to any  
38 title insurer or title agent of such producer's or associate's choice, and, if  
39 such producer or associate of such producer has any financial interest in  
40 the title insurer, from receiving income, profits or dividends produced or  
41 realized from such financial interest, so long as:

42 (a) Such financial interest is disclosed to the purchaser of the title  
43 insurance in accordance with part (i)(1) through (4) of this subpart;

1 (b) the payment of income, profits or dividends is not in exchange  
2 for the referral of business; and

3 (c) the receipt of income, profits or dividends constitutes only a re-  
4 turn on the investment of the producer or associate.

5 (5) Any producer of title business or associate of such producer who  
6 violates the provisions of paragraphs (i)(2) through (i)(4), or any title in-  
7 surer or title agent who accepts an order for title insurance knowing that  
8 it is in violation of paragraphs (i)(2) through (i)(4), in addition to any other  
9 action which may be taken by the commissioner of insurance, shall be  
10 subject to a fine by the commissioner in an amount equal to five times  
11 the premium for the title insurance and, if licensed pursuant to K.S.A.  
12 58-3034 et seq., and amendments thereto, shall be deemed to have com-  
13 mitted a prohibited act pursuant to K.S.A. 58-3602, and amendments  
14 thereto, and shall be liable to the purchaser of such title insurance in an  
15 amount equal to the premium for the title insurance.

16 (6) Any title insurer or title agent that is a competitor of any title  
17 insurer or title agent that, subsequent to the effective date of this act, has  
18 violated or is violating the provisions of subpart (i), shall have a cause of  
19 action against such title insurer or title agent and, upon establishing the  
20 existence of a violation of any such provision, shall be entitled, in addition  
21 to any other damages or remedies provided by law, to such equitable or  
22 injunctive relief as the court deems proper. In any such action under this  
23 subsection, the court may award to the successful party the court costs  
24 of the action together with reasonable attorney fees.

25 (7) The commissioner shall also require each title agent to provide  
26 core title services as required by the real estate settlement procedures  
27 act.

28 (j) The commissioner shall adopt any regulations necessary to carry  
29 out the provisions of this act.

30 (15) *Disclosure of nonpublic personal information.* (a) No person  
31 shall disclose any nonpublic personal information contrary to the provi-  
32 sions of title V of the Gramm-Leach-Bliley act of 1999 (public law 106-  
33 102). The commissioner may adopt rules and regulations necessary to  
34 carry out this section. Such rules and regulations shall be consistent with  
35 and not more restrictive than the model regulation adopted on September  
36 26, 2000, by the national association of insurance commissioners entitled  
37 "Privacy of consumer financial and health information regulation".

38 (b) Any rules and regulations adopted by the commissioner which  
39 implement article V of the model regulation adopted on September 26,  
40 2000, by the national association of insurance commissioners entitled  
41 "Privacy of consumer financial and health information regulation" shall  
42 become effective on and after February 1, 2002.

43 (c) Nothing in this paragraph (15) shall be deemed or construed to

1 authorize the promulgation or adoption of any regulation which preempts,  
2 supersedes or is inconsistent with any provision of Kansas law concerning  
3 requirements for notification of, or obtaining consent from, a parent,  
4 guardian or other legal custodian of a minor relating to any matter per-  
5 taining to the health and medical treatment for such minor.

6 *(16) Free insurance. (a) No person shall advertise, offer or provide*  
7 *free insurance for damage, loss or theft as an inducement to the purchase,*  
8 *sale or rental of household appliances or consumer electronics or services*  
9 *directly or indirectly connected with household appliances or consumer*  
10 *electronics.*

11 *(b) For the purposes of this subsection, "free insurance" means:*

12 *(i) Insurance for which no identifiable or additional charge is made*  
13 *to the purchaser or lessee of such household appliances or consumer elec-*  
14 *tronics or services directly or indirectly connected with household appli-*  
15 *ances or consumer electronics; or*

16 *(ii) insurance for which an identifiable or additional charge is made*  
17 *in an amount less than the cost of such insurance as to the seller, lessor*  
18 *or other person, other than the insurer, providing the insurance.*

19 Sec. 2. K.S.A. 2007 Supp. 40-2404 is hereby repealed.

20 Sec. 3. This act shall take effect and be in force from and after its  
21 publication in the statute book.