

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 423** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, following line 7, by inserting:

"New Section 1. (a) All powers, duties and functions of the staff of the division of the state employee health benefits plan of the department of administration established in K.S.A. 75-6501 et seq. and 75-7405(c)(7), and amendments thereto, and any other statute involving the administration of the state health care benefits program are hereby transferred to and imposed upon the insurance department under the direction of the commissioner of insurance.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 2. (a) All officers and employees of the division of the state employee health benefits plan of the department of administration who, immediately prior to July 1, 2026, are engaged in the exercise and performance of the powers, duties and functions involving the administration of the state employee health benefits plan, as well as all officers and employees of the department of administration who are determined by the commissioner of insurance to be engaged in providing administrative, technical or other support services that are essential to the exercise and performance of the powers, duties and functions transferred by section 1, and amendments thereto, are hereby transferred to the insurance department. All classified officers and employees so transferred shall retain their status as classified employees.

(b) Officers and employees of the division of the state employee health benefits plan of the department of administration transferred by this section shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service

of each such officer and employee so transferred shall be deemed to have been continuous. Any subsequent transfers, layoffs or abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this section shall affect the classified status of any transferred person employed by the division of the state employee health benefits plan of the department of administration prior to the date of transfer.

(c) Notwithstanding the effective date of this section, the provisions of this section prescribing the transfer of officers and employees from the division of the state employee health benefits plan of the department of administration to the insurance department shall commence at the start of a payroll period.

New Sec. 3. (a) The insurance department shall be the successor in every way to the powers, duties and functions of the division of the state employee health benefits plan of the department of administration involving the administration of the state health care benefits program that were vested pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

(b) Every act performed in the exercise of such transferred powers, duties and functions by or under the authority of the insurance department and the commissioner of insurance involving the administration of the state health care benefits program shall be deemed to have the same force and effect as if performed by the division of the state employee health benefits plan, the secretary of administration or the director of the state employee health benefits plan in which the same were vested pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

(c) Whenever the division of the state employee health benefits plan of the department of administration or words of like effect are referred to or designated by a statute, contract, memorandum of agreement or other document and such reference is in regard to any of the powers, duties and functions transferred to the insurance department pursuant to section 1, and

amendments thereto, such reference or designation shall be deemed to apply to the insurance department.

(d) All rules and regulations, orders and directives of the division of the state employee health benefits plan of the department of administration that relate to the powers, duties and functions transferred by section 1, and amendments thereto, and are in effect on July 1, 2026, shall continue to be effective and shall be deemed to be rules and and regulations, orders and directives of the commissioner of insurance until revised, amended, repealed or nullified pursuant to law.

New Sec. 4. (a) The balances of all funds or accounts thereof appropriated or reappropriated for the division of the state employee health benefits plan of the department of administration relating to the powers, duties and functions involving the administration of the state health care benefits program are hereby transferred within the state treasury to the insurance department and shall be used only for the purpose for which the appropriation or reappropriation was originally made.

(b) Liability for all accrued compensation or salaries of officers and employees who are transferred to the insurance department pursuant to section 2, and amendments thereto, shall be assumed and paid by the insurance department.

New Sec. 5. (a) The insurance department shall succeed to all property, property rights, contracts and records that were used for or pertain to the performance of powers, duties and functions involving the administration of the state health care benefits program that were transferred to the division of the state employee health benefits plan of the department of administration pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

(b) When any conflict arises as to the disposition of any personnel, property, property right, contract, record, power, duty, function or the unexpended balance of any appropriation as

result of any transfer made by or under the provisions of sections 1 through 5, and amendments thereto, such conflict shall be resolved by the commissioner of insurance, whose decision shall be final.

New Sec. 6. (a) No suit, action or other proceeding, judicial or administrative, lawfully commenced, or that could have been commenced, by or against the division of the state employee health benefits plan of the department of administration or by or against the secretary of administration in such secretary's official duties, shall abate by reason of the transfer effected under the provisions of sections 1 through 5, and amendments thereto. The court may allow any such suit, action or other proceeding to be maintained by or against the insurance department or the commissioner of insurance.

(b) No criminal action commenced or that could have been commenced by the state shall abate by reason of the transfer effected under the provisions of sections 1 through 5, and amendments thereto.

New Sec. 7. (a) All powers, duties and functions of the staff of the division of the state employee health benefits plan of the department of administration established in K.S.A. 44-575 through 44-580, and 75-7405(c)(8), and amendments thereto, and any other statute involving the administration of the state workers compensation self-insurance fund are hereby transferred to and imposed upon the insurance department, under the direction of the commissioner of insurance.

(b) The balances of all funds or accounts thereof appropriated or reappropriated for the division of the state employee health benefits plan of the department of administration or any state agency, department, board, commission or council, relating to the powers, duties and functions involving the administration of the state workers compensation self-insurance fund are hereby transferred within the state treasury to the insurance department and shall be used only

for the purpose for which the appropriation or reappropriation was originally made. Liability for all accrued compensation or salaries of officers and employees who are transferred to the insurance department pursuant to this section shall be assumed and paid by the insurance department.

(c) Except as provided in this section, the commissioner of insurance shall be the successor in every way to the powers, duties and functions of the secretary of administration that relate to the state workers compensation self-insurance fund, in which the same were vested prior to July 1, 2026.

(d) All orders and directives of the secretary of administration that relate to the state workers compensation self-insurance fund in existence immediately prior to July 1, 2026, shall continue to be effective and shall be deemed to be the orders or directives of the commissioner of insurance, until revised, amended, repealed or nullified pursuant to law.

(e) The commissioner of insurance shall succeed to all property, property rights, contracts and records that were used for or pertain to the performance of the powers, duties and functions transferred to the commissioner of insurance from the division of the state employee health benefits plan of the department of administration pursuant to this section. Any conflict as to the proper disposition of property, property rights, contracts and records arising under this section shall be resolved by the commissioner of insurance, whose decision shall be final.

(f) All officers and employees of the division of the state employee health benefits plan of the department of administration who, immediately prior to July 1, 2026, are engaged in the exercise and performance of the powers, duties and functions involving the administration of the state workers compensation self-insurance fund and transferred by this section, as well as all officers and employees of the department of administration who are determined by the commissioner of insurance to be engaged in providing administrative, technical or other support

services that are essential to the exercise and performance of the powers, duties and functions transferred by this section, are hereby transferred to the insurance department, under the direction of the commissioner of insurance. All classified officers and employees so transferred shall retain their status as classified employees.

(g) Officers and employees of the division of the state employee health benefits plan of the department of administration transferred by this section shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service of each such officer or employee so transferred shall be deemed to have been continuous. Any subsequent transfers, layoffs or abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this section shall affect the classified status of any transferred person employed by the division of the state employee health benefits plan of the department of administration prior to the date of transfer.

Sec. 8. K.S.A. 40-205a is hereby amended to read as follows: 40-205a. (a) No person shall do any act toward selling the stock of any insurance company or health maintenance organization unless such person first obtains from the commissioner of insurance written authority to engage in the business of selling the stock of such company. Such applicant shall first be appointed in writing by the president or secretary of the company for which such applicant intends to sell stock. The applicant for such license shall file with the commissioner of insurance the applicant's written application for a license authorizing the applicant to engage in the business of selling such stock. The applicant shall make sworn answers to such interrogatories as the commissioner of insurance shall require. The fee charged for the issuance of such license shall ~~be~~ not exceed \$100 and shall be paid to the commissioner of insurance by the company requesting such license.

(b) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the application fees required pursuant to subsection (a) for the next succeeding calendar year.

Sec. 9. K.S.A. 40-218 is hereby amended to read as follows: 40-218. (a) Every insurance company; or fraternal benefit society, on applying for authority to transact business in this state, and as a condition precedent to obtaining such authority, shall file in the insurance department its written consent, irrevocable, that any action or garnishment proceeding may be commenced against such company or fraternal benefit society in the proper court of any county in this state in which the cause of action shall arise or in which the plaintiff may reside by the service of process on the commissioner of insurance of this state; and stipulating and agreeing that such service shall be taken and held in all courts to be as valid and binding as if due service had been made upon the president or chief officer of such corporation. Such consent shall be executed by the president and secretary of the company and shall be accompanied by a duly certified copy of the order or resolution of the board of directors, trustees or managers authorizing the president and secretary to execute the same. The summons or order of garnishment, accompanied by a fee ~~of~~ not to exceed \$25, shall be directed to the commissioner of insurance; and shall require the defendant or garnishee to answer or otherwise respond by a certain day, not less than 40 days from the date the summons or order of garnishment is served on the commissioner. Not later than December 1 of each year, the commissioner of insurance shall set and publish in the Kansas register the fee pursuant to this section for the next calendar year.

(b) Service on the commissioner of insurance of any process, notice or demand against an insurance company or fraternal benefit society shall be made by delivering to and leaving with the commissioner or the commissioner's designee, the original of the process and two copies

of the process and the petition, notice of demand, or the clerk of the court may send the original process and two copies of both the process and petition, notice or demand directly to the commissioner by certified mail, return receipt requested. In the event that any process, notice or demand is served on the commissioner, the commissioner shall immediately cause a copy thereof to be forwarded by certified mail, return receipt requested to the insurance company or fraternal benefit society address to its general agent if such agent resides in this state or to the secretary of the insurance company or fraternal benefit society sued at its registered or principal office in any state in which it is domesticated. The commissioner of insurance shall make return of the summons to the court from whence it issued, showing the date of its receipt, the date of forwarding such copies; and the name and address of each person to whom a copy was forwarded. Such return shall be under the hand and seal of office; and shall have the same force and effect as a due and sufficient return made on process directed to a sheriff. The commissioner of insurance shall keep a suitable record in which shall be docketed every action commenced against an insurance company, the time when commenced, the date and manner of service; ~~also,~~ the date of the judgment, its amount and costs; and the date of payment thereof, which shall be certified from time to time by the clerk of the court.

Sec. 10. K.S.A. 40-252 is hereby amended to read as follows: 40-252. Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year. Every insurance company or fraternal benefit society organized under the laws of this state or doing business in this state shall pay to the commissioner of insurance fees and taxes not to exceed the amounts specified in the following schedule:

A

Insurance companies organized under the laws of this state:

1. Capital stock insurance companies and mutual legal reserve life insurance companies:
 Filing application for sale of stock or certificates of
 indebtedness.....\$25

Admission fees:

Examination of charter and other documents.....500
 Filing annual statement.....100
 Certificate of authority.....10

Annual fees:

Filing annual statement.....100
 Continuation of certificate of authority.....10

2. Mutual life, accident and health associations:

Admission fees:

Examination of charter and other documents.....\$500
 Filing annual statement.....100
 Certificate of authority.....10

Annual fees:

Filing annual statement.....100
 Continuation of certificate of authority.....10

3. Mutual fire, hail, casualty and multiple line insurers and reciprocal or interinsurance
 exchanges:

Admission fees:

Examination of charter and other documents.....\$500
 Filing annual statement.....100
 Certificate of authority.....10

Annual fees:

Filing annual statement.....100
 Continuation of certificate of authority.....10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority provided in this code, all such companies shall pay a fee of \$2 for each agent certified by the company and shall also pay a tax annually upon all premiums received on risk located in this state at the rate of ~~1% for tax year 1997, and 2% for all tax years thereafter~~ per annum less (1) for tax years prior to 1984, any taxes paid on business in this state pursuant to the provisions of K.S.A. ~~40-1701 to 40-1707, inclusive, and 75-1508, and amendments thereto,~~

and (2) for tax years 1984 and thereafter, any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of credits against the tax imposed by this section for taxes paid by all such companies on business in this state under K.S.A. 40-1701 to 40-1707, inclusive, and amendments thereto, for tax year 1983, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, all premiums received for reinsurance from any other company authorized to do business in this state, dividends returned to policyholders and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

B

Fraternal benefit societies organized under the laws of this state:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

C

Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of this state:

1. Mutual nonprofit hospital service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Nonprofit medical service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

3. Nonprofit dental service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

4. Nonprofit optometric service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

5. Nonprofit pharmacy service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to ~~1% for tax year 1997, and 2% for all tax years thereafter~~ per annum of the total of all premiums, subscription charges, or any other term which may be used to describe the charges made by such corporation or association to subscribers for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

D

Insurance companies organized under the laws of any other state, territory or country:

1. Capital stock insurance companies and mutual legal reserve life insurance companies:

Filing application for sale of stock or certificates of indebtedness.....	\$25
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Admission fees:

Examination of charter and other documents.....	500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees all such companies shall pay \$5 for each agent certified by the company, except as otherwise provided by law.

As a condition precedent to the continuation of the certificate of authority, provided in this code, every company organized under the laws of any other state of the United States or of any foreign country shall pay a tax upon all premiums received during the preceding year at the rate of 2% per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

2. Mutual life, accident and health associations:

Admission fees:

Examination of charter and other documents.....	\$500
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Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees, every such company organized under the laws of any other state of the United States shall pay \$5 for each agent certified by the company, and shall pay a tax annually upon all premiums received at the rate of 2% per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

3. Mutual fire, casualty and multiple line insurers and reciprocal or interinsurance exchanges:

Admission fees:

Examination of charter and other documents and issuance of certificate of authority.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees, every such company or association organized under the laws of any other state of the United States shall pay a fee of \$5 for each agent certified by the company and shall also pay a tax annually upon all premiums received at the rate of 2% per annum.

For tax years 1998 and thereafter, the annual tax shall be reduced by the "applicable percentage" of (1) any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and (2) the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company taxable under this subsection for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1701 to 40-1707, and amendments thereto, for tax year 1983 as then in effect, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year. The "applicable percentage" shall be as follows:

Tax Year	Applicable Percentage
1998	10%
1999	20%
2000	40%
2002	50%
2003	60%
2004	70%
2005	80%

2006	90%
2007_and thereafter	100%

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, all premiums received for reinsurance from any other company authorized to do business in this state, and dividends returned to policyholders.

E

Fraternal benefit societies organized under the laws of any other state, territory or country:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

F

Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of any other state, territory or country:

1. Mutual nonprofit hospital service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
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Filing annual statement.....100
 Certificate of authority.....10

Annual fees:

Filing annual statement.....100
 Continuation of certificate of authority.....10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to 2% per annum of the total of all premiums, subscription charges, or any other term which may be used to describe the charges made by such corporation or association to subscribers in this state for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

G

Payment of taxes.

For the purpose of insuring the collection of the tax upon premiums, assessments and charges as set out in subsection A, C, D or F, every insurance company, corporation or association shall at the time it files its annual statement, as required by the provisions of K.S.A. 40-225, and amendments thereto, make a return, generated by or at the direction of its president and secretary or other chief officers, under penalty of K.S.A. 21-5824, and amendments thereto, to the commissioner of insurance, stating the amount of all premiums, assessments and charges received by the companies or corporations in this state, whether in cash or notes, during the year ending on the December 31 next preceding.

Commencing in 1985 and annually thereafter the estimated taxes shall be paid as follows:
 On or before June 15 and December 15 of such year an amount equal to 50% of the full amount

of the prior year's taxes as reported by the company shall be remitted to the commissioner of insurance. As used in this paragraph, "prior year's taxes" includes (1) taxes assessed pursuant to this section for the prior calendar year, (2) fees and taxes assessed pursuant to K.S.A. 40-253, and amendments thereto, for the prior calendar year, and (3) taxes paid for maintenance of the department of the state fire marshal pursuant to K.S.A. 75-1508, and amendments thereto, for the prior calendar year.

Upon the receipt of such returns the commissioner of insurance shall verify the same and assess the taxes upon such companies, corporations or associations on the basis and at the rate provided herein and the balance of such taxes shall thereupon become due and payable giving credit for amounts paid pursuant to the preceding paragraph, or the commissioner shall make a refund if the taxes paid in the prior June and December are in excess of the taxes assessed.

H

The fee prescribed for the examination of charters and other documents shall apply to each company's initial application for admission and shall not be refundable for any reason.

Sec. 11. K.S.A. 2023 Supp. 40-2,125 is hereby amended to read as follows: 40-2,125.

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation;

(2) suspension or revocation of the person's license or certificate if such person knew or

reasonably should have known that such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder; or

(3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.

(b) If any person fails to file any report or other information with the commissioner as required by statute or fails to respond to any proper inquiry of the commissioner, the commissioner, after notice and opportunity for hearing, may impose a civil penalty of up to \$1,000, for each violation or act, along with an additional penalty of up to \$500 for each week thereafter that such report or other information is not provided to the commissioner.

(c) If the commissioner makes written findings of fact that there is a situation involving an immediate danger to the public health, safety or welfare or the public interest will be irreparably harmed by delay in issuing an order under subsection (a)(3), the commissioner may issue an emergency temporary cease and desist order. Such order, even when not an order within the meaning of K.S.A. 77-502, and amendments thereto, shall be subject to the same procedures as an emergency order issued under K.S.A. 77-536, and amendments thereto. Upon the entry of such an order, the commissioner shall promptly notify the person subject to the order that: (1) It has been entered; (2) the reasons therefor; and (3) that upon written request within 15 days after service of the order the matter will be set for a hearing which shall be conducted in accordance with the provisions of the Kansas administrative procedure act. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to the person subject to the order, shall by written findings of fact and conclusions of law vacate, modify or make permanent the order.

(d) For purposes of this section:

(1) "Person" means any individual, ~~corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyd's insurer, fraternal benefit society and any other legal entity engaged in the business of insurance, rating organization, third party administrator, nonprofit dental service corporation, nonprofit medical and hospital service corporation, automobile club, premium financing company, health maintenance organization, insurance holding company, mortgage guaranty insurance company, risk retention or purchasing group, prepaid legal and dental service plan, captive insurance company, automobile self-insurer or reinsurance intermediary~~ and any other legal entity under the jurisdiction of the commissioner. The term "person" does not include insurance agents and brokers as such terms are defined in K.S.A. 40-4902, and amendments thereto.

(2) "Commissioner" means the commissioner of insurance of this state.

Sec. 12. K.S.A. 40-2,133 is hereby amended to read as follows: 40-2,133. (a) No insurer may utilize or continue to utilize the services of an MGA on and after the effective date of this act unless such utilization is in compliance with this act.

(b) The insurer shall have on file an independent financial examination in a form acceptable to the commissioner of each MGA with which it has done business.

(c) If an MGA establishes loss reserves, the insurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the MGA. Such requirement shall be in addition to any other required loss reserve certification.

(d) The insurer shall periodically, but not less frequently than semi-annually, conduct an on-site review of the underwriting and claims processing operations of the MGA.

(e) Binding authority for all reinsurance contracts or participation in insurance or

reinsurance syndicates shall rest with an officer of the insurer who shall not be affiliated with the MGA.

(f) Within 30 days of entering into or termination of a contract with an MGA, the insurer shall provide written notification of such appointment or termination to the commissioner. Notices of appointment of an MGA shall include:

(1) A statement of duties ~~which~~ that the applicant is expected to perform on behalf of the insurer;

(2) the lines of insurance for which the applicant is to be authorized to act;

(3) a notification fee in ~~the~~ an amount ~~of~~ not to exceed \$100;~~(4)~~; and

~~(4)~~ any other information the commissioner may request.

(g) An insurer shall ~~each quarter~~ review its books and records each calendar quarter to determine if any agent or broker has become, by operation of ~~subsection (d) of~~ K.S.A. 40-2,130(d), and amendments thereto, an MGA as defined in that subsection. If the insurer determines that an agent or broker has become an MGA pursuant to the above, the insurer shall promptly notify the agent or broker and the commissioner of such determination, and the insurer and agent or broker shall fully comply with the provisions of this act within 30 days.

(h) An insurer shall not appoint to its board of directors an officer, director, employee or controlling shareholder of its MGAs. This subsection shall not apply to relationships governed by the applicable provisions of article 33 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to subsection (f) for the next calendar year.

Sec. 13. K.S.A. 40-504 is hereby amended to read as follows: 40-504. Any corporation heretofore organized and existing pursuant to law for the purpose of making insurance on the

lives of individuals, may take advantage and have the benefit of this act by filing in the office of the commissioner of insurance a declaration of the company, signed by the president and secretary, giving the name of the corporation, a copy of the bylaws, the form of application adopted by them, and a copy of the policy contract proposed to be issued to individuals, together with a fee ~~of one hundred dollars~~ not to exceed \$100. The commissioner of insurance shall submit all documents to the attorney general for ~~his~~ examination, and if found by ~~him~~ the attorney general to be in accordance with the law ~~he~~ the attorney general shall certify to and deliver the same to the commissioner of insurance, who shall retain such documents on file, and upon compliance by ~~said~~ such company with the provisions of this code the commissioner of insurance shall issue ~~his~~ a certificate authorizing ~~said~~ such company to do business in this state under the provisions of this code. Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 14. K.S.A. 40-956 is hereby amended to read as follows: 40-956. (a) (1) Any corporation, association, partnership or individual whether located in or out of the state, may apply for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file ~~therewith~~:

~~(1)~~(A) A copy of its constitution, articles of agreement or association or certificate of incorporation, and its bylaws and rules governing the conduct of its business;

~~(2)~~(B) a list of its members and subscribers;

~~(3)~~(C) the name and address of a resident of the state upon whom service of process or orders of the commissioner may be served and an irrevocable agreement to accept such service or notices; and

~~(4)~~(D) a statement of its qualification as a rating organization.

(2) Every rating organization shall notify the commissioner promptly of every change in its organizational structure, members or subscribers and the person upon whom service or notices may be made.

(3) If the commissioner finds the applicant is qualified, the commissioner shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within 60 days of the date of its filing. Licenses issued pursuant to this section shall continue in force until May 1 next after their date unless suspended or revoked by the commissioner. The fee for such license shall ~~be~~ not exceed \$25 annually. Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register such fee for the next calendar year. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this section.

(b) Every rating organization shall furnish its rating services without discrimination to its members and subscribers. Subject to rules which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer or group pool, not a member, to be a subscriber to its rating service for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. The reasonableness of any rule in its application to subscribers, or the refusal of any rating organization to admit an insurer or group pool as a subscriber, at the request of any subscriber, pool or any insurer shall be reviewed by the commissioner at a hearing.

(c) No rating organization shall adopt any rule, the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(d) The commissioner, at least once in five years, shall make or cause to be made an examination of each rating organization licensed in this state. The reasonable costs of such examination shall be paid by the rating organization examined, upon presentation to it of a detailed account of such cost. The officers, managers, agents and employees of such rating organization may be examined under oath and shall exhibit all books, records, accounts, documents or agreements governing its method of operation. The commissioner may waive such examination upon proof such rating organization has, within a reasonably recent period, been examined by the insurance supervisory official of another state, and upon filing with the commissioner a copy of the report of such examination.

(e) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this act is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of this act which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, the commissioner finds any such activity or practice is unfair, unreasonable or otherwise inconsistent with this act or other provision of the insurance laws of this state, the commissioner may issue a written order requiring discontinuance of such activities or practices.

(f) Any rating organization may provide for the examination of policies, daily reports, binders and other transaction with its members or subscribers, providing it makes reasonable rules governing those activities, ~~which~~ Such rules shall be approved by the commissioner. Such rules shall contain a provision that in the event any insurer does not within 60 days furnish satisfactory evidence to the rating organization of the correction of any error or omissions previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information submitted for examination shall

be confidential.

(g) Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination. Any rating organization may collect, compile and distribute past and current premiums of individual insurers.";

On page 5, following line 22, by inserting:

"Sec. 17. K.S.A. 40-22a04 is hereby amended to read as follows: 40-22a04. (a) The commissioner shall adopt rules and regulations establishing standards governing the conduct of utilization review activities performed in this state or affecting residents or healthcare providers of this state by utilization review organizations. Unless granted an exemption under K.S.A. 40-22a06, and amendments thereto, no utilization review organization may conduct utilization review services in this state or affecting residents of this state without first obtaining a certificate from the commissioner.

(b) The commissioner shall not issue a certificate to a utilization review organization until the applicant:

(1) Files a formal application for certification in such form and detail as required by the commissioner and such application has been executed under oath by the chief executive officer, president or other head official of the applicant;

(2) files with the commissioner a certified copy of its charter or articles of incorporation and bylaws, if any;

(3) states the location of the office or offices of the utilization review organization where utilization review affecting residents or health care providers of this state will be principally performed;

(4) provides a summary of the qualifications and experience of persons performing

utilization review affecting the persons and at the locations identified pursuant to paragraph (3);

(5) makes payment of a certification fee ~~of~~ not to exceed \$100 to the commission; and

(6) provides such other information or documentation as the commissioner requires.

(c) Certificates issued by the commissioner pursuant to this act shall remain effective until suspended, surrendered or revoked subject to payment of an annual continuation fee ~~of~~ not to exceed \$50.

(d) The commissioner may suspend or revoke the certificate or any exemption from certification requirements upon determination that the interests of Kansas insureds are not being properly served under such certificate or exemption. Any such action shall be taken only after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act.

(e) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 18. K.S.A. 40-2604 is hereby amended to read as follows: 40-2604. (a) No person shall engage in the business of financing insurance premiums under this act in this state without first having obtained a license as a premium finance company from the commissioner of insurance. Every violation of any of the provisions of this act shall subject the person violating the same to a penalty not to exceed \$500 for each violation or by imprisonment not to exceed six months in jail or both.

(b) (1) The license continuation fee shall ~~be~~ not exceed \$100. The fee for such continuation shall be paid to the commissioner to be deposited in the state general fund.

(2) Licenses may be continued from year to year as of May 1 of each year upon payment of the continuation fee. Every licensee shall, on or before the first day of April, pay to the commissioner ~~the sum of~~ an amount not to exceed \$100 as a continuation fee for the succeeding year. Failure to pay the continuation fee within the time prescribed shall

automatically revoke the license.

(3) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this subsection for the next calendar year.

(c) The applicant for such license shall file with the commissioner written application and shall make sworn answers to such interrogatories as the commissioner may require on forms prepared by the commissioner. The commissioner shall have authority, at any time, to require the applicant fully to disclose the identity of all stockholders, partners, officers and employees, and the commissioner may, in the exercise of discretion, refuse to issue or renew a license in the name of any firm, partnership, or corporation if not satisfied that any officer, employee, stockholder, or partner thereof who may materially influence the applicant's conduct meets the standards of this act.

Sec. 19. K.S.A. 40-2702 is hereby amended to read as follows: 40-2702. (a) As used in this act, unless the context otherwise requires, the term "insurer" means and includes all corporations, companies, associations, societies, fraternal benefit societies, mutual nonprofit hospital service and nonprofit medical service companies, partnerships and persons engaged as principals in the business of insurance of the kinds enumerated in articles 4, 5, 6, 7, 11, 18, 19, 19a, 19b, 19c, 22, 32 and 38 of chapter 40 of the Kansas Statutes Annotated, and ~~any~~ amendments thereto, insofar as the business of insurance of the kinds enumerated in such articles relate to life and accident or sickness. Whenever in this section there is reference to an act effected or committed by mail, the venue of such act shall be at the point where the matter transmitted by mail is delivered and takes effect.

It shall be unlawful for any insurer to transact insurance business in this state, as set forth in subsection (b) of this section, without a certificate of authority from the commissioner of insurance. This section shall not apply to:

(1) The lawful transaction of insurance procured by agents under the authority of K.S.A. 40-246b, 40-246c and 40-246d, and amendments thereto, relating to accident and sickness insurance;

(2) contracts of reinsurance issued by an insurer not organized under the laws of this state;

(3) transactions in this state involving a policy lawfully solicited, written and delivered outside of this state, covering only subjects of insurance not resident in this state at the time of issuance and which transactions are subsequent to the issuance of such policy;

(4) attorneys acting in the ordinary relation of attorney and client in the adjustment of claims or losses;

(5) transactions in this state involving group life and group sickness and accident or blanket sickness and accident insurance or group annuities, where the master policy of such groups was lawfully issued and delivered in and pursuant to the laws of a state in which the insurer was authorized to do an insurance business to a group organized for purposes other than the procurement of insurance and where the policyholder is domiciled or otherwise has a bona fide residence;

(6) transactions in this state involving any policy of life or accident and health insurance or annuity contract issued prior to the effective date of this act;

(7) contracts of insurance written by certain lodges, societies, persons and associations specified in K.S.A. 40-202, and amendments thereto, and organizations preempted from state jurisdiction as a result of compliance with both the employees retirement income security act of 1974, as amended, including all bonding provisions, and paragraph (9) of subsection (c) of section 501 of the internal revenue code; and

(8) any life insurance company organized and operated, without profit to any private

shareholder or individual, exclusively for the purpose of aiding and strengthening educational institutions, organized and operated without profit to any private shareholder or individual, by issuing insurance and annuity contracts directly from the home office of the company, without insurance agents or insurance representatives in this state, only to or for the benefit of such institutions and individuals engaged in the services of such institutions, but this exemption shall be conditioned upon any such company complying with the following requirements:

- (i) Payment of an annual registration fee ~~of~~ not to exceed \$500;
- (ii) filing a copy of the form of any policy or contract issued to Kansas residents with the commissioner of insurance;
- (iii) filing a copy of its annual statement prepared pursuant to the laws of its state of domicile, as well as such other financial material as may be requested, with the commissioner of insurance; and
- (iv) providing, in such form as may be prescribed by the commissioner of insurance, for the appointment of the commissioner of insurance as its true and lawful attorney upon whom may be served all lawful process in any action or proceeding against such company arising out of any policy or contract it has issued to, or which is currently held by, a Kansas citizen and process so served against such company shall have the same force and validity as if served upon the company.

(b) Any of the following acts in this state effected by mail or otherwise by or on behalf of an unauthorized insurer is deemed to constitute the transaction of an insurance business in this state:

- (1) The making of or proposing to make, as an insurer, an insurance contract;
- (2) the taking or receiving of any application for insurance;
- (3) the receiving or collection of any premium, commission, membership fees,

assessments, dues or other consideration for any insurance or any part thereof;

(4) the issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state;

(5) directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications or delivery of policies or contracts or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident in this state. Nothing herein shall be construed to prohibit full-time salaried employees of a corporate insured from acting in the capacity of an insurance manager or buyer in placing insurance in behalf of such employer;

(6) the transaction of any kind of insurance business specifically recognized as transacting an insurance business within the meaning of the statutes relating to insurance; or

(7) the transacting of or proposing to transact any insurance business, in substance equivalent to any of the foregoing, in a manner designed to evade the provisions of this act.

(c) (1) The failure of an insurer transacting insurance business in this state to obtain a certificate of authority from the commissioner of insurance shall not impair the validity of any act or contract of such insurer and shall not prevent such insurer from defending any action at law or suit in equity in any court of this state, but no insurer transacting insurance business in this state without a certificate of authority shall be permitted to maintain an action in any court of this state to enforce any right, claim or demand arising out of the transaction of such business until such insurer shall have obtained a certificate of authority.

(2) In the event of failure of any such unauthorized insurer to pay any claim or loss within the provisions of such insurance contract, any person who assisted or in any manner aided, directly or indirectly, in the procurement of such insurance contract shall be liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of such insurance contract.

(d) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.";

On page 7, following line 5, by inserting:

"Sec. 21. K.S.A. 40-3213 is hereby amended to read as follows: 40-3213. (a) (1) Every health maintenance organization and medicare provider organization subject to this act shall pay to the commissioner the following fees:

~~(1)~~(A) For filing an application for a certificate of authority, an amount not to exceed \$150;

~~(2)~~(B) for filing each annual report, an amount not to exceed \$50;

~~(3)~~(C) for filing an amendment to the certificate of authority, an amount not to exceed \$10.

(2) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this subsection for the next calendar year.

(b) Every health maintenance organization subject to this act shall pay annually to the commissioner at the time such organization files its annual report, a privilege fee in an amount equal to the following percentages of the total of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees: 3.31% during the reporting period beginning January 1, 2015, and ending December 31, 2017; and 5.77% on and after January 1, 2018. In such computations all such organizations shall be entitled

to deduct therefrom any premiums or subscription charges returned on account of cancellations and dividends returned to enrollees. If the commissioner shall determine at any time that the application of the privilege fee, or a change in the rate of the privilege fee, would cause a denial of, reduction in or elimination of federal financial assistance to the state or to any health maintenance organization subject to this act, the commissioner is hereby authorized to terminate the operation of such privilege fee or the change in such privilege fee.

(c) For the purpose of insuring the collection of the privilege fee provided for by subsection (b), every health maintenance organization subject to this act and required by subsection (b) to pay such privilege fee shall at the time it files its annual report, as required by K.S.A. 40-3220, and amendments thereto, make a return, generated by or at the direction of its chief officer or principal managing director, under penalty of K.S.A. 21-5824, and amendments thereto, to the commissioner, stating the amount of all premiums, assessments and charges received by the health maintenance organization, whether in cash or notes, during the year ending on the last day of the preceding calendar year. Upon the receipt of such returns the commissioner of insurance shall verify such returns and reconcile the fees pursuant to subsection (f) upon such organization on the basis and at the rate provided in this section.

(d) Premiums or other charges received by an insurance company from the operation of a health maintenance organization subject to this act shall not be subject to any fee or tax imposed under the provisions of K.S.A. 40-252, and amendments thereto.

(e) Fees charged under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the medical assistance fee fund created by K.S.A. 40-3236, and amendments thereto.

(f) (1) ~~On and after January 1, 2018,~~ In addition to any other filing or return required by

this section, each health maintenance organization shall submit a report to the commissioner on or before March 31 and September 30 of each year containing an estimate of the total amount of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees that the organization expects to collect during the current calendar year. Upon filing each March 31 report, the organization shall submit payment equal to ½ of the privilege fee that would be assessed by the commissioner for the current calendar year based upon the organization's reported estimate. Upon filing each September 30 report, the organization shall submit payment equal to the balance of the privilege fee that would be assessed by the commissioner for the current calendar year based upon the organization's reported estimates.

(2) Any amount of privilege fees actually owed by a health maintenance organization during any calendar year in excess of estimated privilege fees paid shall be assessed by the commissioner and shall be due and payable upon issuance of such assessment.

(3) Any amount of estimated privilege fees paid by a health maintenance organization during any calendar year in excess of privilege fees actually owed shall be reconciled when the commissioner assesses privilege fees in the ensuing calendar year. The commissioner shall credit such excess amount against future privilege fee assessments. Any such excess amount paid by a health maintenance organization that is no longer doing business in Kansas and that no longer has a duty to pay the privilege fee shall be refunded by the commissioner from funds appropriated by the legislature for such purpose.

Sec. 22. K.S.A. 40-3304 is hereby amended to read as follows: 40-3304. (a) (1) No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities or, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof,

such person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, such person has filed with the commissioner of insurance and has sent to such insurer, a statement containing the information required by this section and such offer, request, invitation, agreement or acquisition has been approved by the commissioner of insurance in the manner hereinafter prescribed. The requirements of this section shall not apply to the merger or consolidation of those companies subject to the requirements of K.S.A. 40-507 and 40-1216 through 40-1225, and amendments thereto.

(2) For purposes of this section, any controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days prior to the cessation of control. The commissioner shall determine those instances in which each party seeking to divest or to acquire a controlling interest in an insurer shall be required to file for and obtain approval of the transaction. The information shall remain confidential until the conclusion of the transaction unless the commissioner, in the commissioner's discretion, determines that confidential treatment will interfere with enforcement of this section. If the statement referred to in paragraph (1) is otherwise filed, this paragraph shall not apply.

(3) With respect to a transaction subject to this section, the acquiring person shall also be required to file a preacquisition notification with the commissioner, and such preacquisition notification shall contain the information in the form and manner prescribed by the

commissioner through rules and regulations.

(4) For the purposes of this section:

(A) A domestic insurer shall include any person controlling a domestic insurer unless such person as determined by the commissioner of insurance is either directly or through its affiliates primarily engaged in business other than the business of insurance.

(B) "Person" shall not include any securities broker holding, in the usual and customary broker's function, less than 20% of the voting securities of the insurance company or of any person which controls the insurance company.

(b) The statement to be filed with the commissioner of insurance hereunder shall be made under oath or affirmation, shall be accompanied by a nonrefundable filing fee ~~of not to exceed~~ \$1,000 and shall contain the following information:

(1) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection (a) is to be affected, hereinafter called "acquiring party," and:

(A) If such person is an individual, such individual's principal occupation, all offices and positions held by such individual during the past five years and any conviction of crimes other than minor traffic violations during the past 10 years;

(B) if such person is not an individual, a report of the nature of its business operations during the past five years or for such lesser period as such person and any predecessors thereof shall have been in existence; an informative description of the business intended to be done by such person and such person's subsidiaries; and a list of all individuals who are or who have been selected to become directors or executive officers of such person, or who perform or will perform functions appropriate to such positions. Such list shall include for each such individual the information required by subparagraph (A);

(2) the source, nature and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction wherein funds were or are to be obtained for any such purpose including any pledge of the insurer's stock, or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing such consideration, except that where a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing such statement so requests;

(3) fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five fiscal years of each such acquiring party or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement;

(4) any plans or proposals that each acquiring party may have to liquidate such insurer, to sell its assets, merge or consolidate it with any person or to make any other material change to its business, corporate structure or management;

(5) the number of shares of any security referred to in subsection (a) that each acquiring party proposes to acquire and the terms of the offer, request, invitation, agreement or acquisition referred to in subsection (a) and a statement regarding the method utilized to determine the fairness of the proposal;

(6) the amount of each class of any security referred to in subsection (a) that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party;

(7) a full description of any contracts, arrangements or understandings with respect to any security referred to in subsection (a) in which any acquiring party is involved, including, but

not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into;

(8) a description of the purchase of any security referred to in subsection (a) during the 12 calendar months preceding the filing of the statement, by any acquiring party, including the dates of purchase, names of the purchasers and consideration paid or agreed to be paid therefor;

(9) a description of any recommendations to purchase any security referred to in subsection (a) made during the 12 calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interviews or at the suggestion of such acquiring party;

(10) copies of all tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any securities referred to in subsection (a) and, if distributed, of additional soliciting material relating thereto;

(11) the terms of any agreement, contract or understanding made with or proposed to be made with any broker-dealer as to solicitation of securities referred to in subsection (a) for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto;

(12) an agreement by the person required to file the statement referred to in subsection (a) that such person will provide the annual report, specified in K.S.A. 40-3305(l), and amendments thereto, for so long as control exists;

(13) an acknowledgment by the person required to file the statement referred to in subsection (a) that the person and all subsidiaries within its control in the insurance holding company system will provide to the commissioner of insurance upon request such information as the commissioner of insurance deems necessary to evaluate enterprise risk to the insurer; and

(14) such additional information as the commissioner of insurance may by rule or regulation prescribe as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

If the person required to file the statement referred to in subsection (a) is a partnership, limited partnership, syndicate or other group, the commissioner of insurance may require that the information called for by paragraphs (1) through (14) shall be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group and each person who controls such partner or member. If any such partner, member or person is a corporation or the person required to file the statement referred to in subsection (a) is a corporation, the commissioner of insurance may require that the information called for by paragraphs (1) through (14) shall be given with respect to such corporation, each officer and director of such corporation and each person who is directly or indirectly the beneficial owner of more than 10% of the outstanding voting securities of such corporation.

If any material change occurs in the facts set forth in the statement filed with the commissioner of insurance and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the commissioner of insurance and sent to such insurer within two business days after the person learns of such change.

(c) If any offer, request, invitation, agreement or acquisition referred to in subsection (a) is proposed to be made by means of a registration statement under the securities act of 1933 or in circumstances requiring the disclosure of similar information under the securities exchange act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subsection (a) may utilize such documents in furnishing the information called for by that statement.

(d) (1) The commissioner of insurance shall approve any merger or other acquisition of control referred to in subsection (a) unless, after a public hearing thereon conducted in accordance with the provisions of the Kansas administrative procedure act, the commissioner of insurance finds that:

(A) After the change of control the domestic insurer referred to in subsection (a) would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(B) the financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer or prejudice the interest of its policyholders;

(C) the plans or proposals which the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business, corporate structure or management, are unfair and unreasonable to policyholders of the insurer or are not in the public interest;

(D) the competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer or of the public to permit the merger or other acquisition of control; or

(E) the acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

(2) The public hearing referred to in subsection (d)(1) shall be held as soon as practical after the statement required by this subsection (a) is filed, and at least 20 days' notice thereof shall be given by the commissioner of insurance to the person filing the statement. Not less than seven days' notice of such public hearing shall be given by the person filing the statement to the insurer and to such other persons as may be designated by the commissioner of insurance. At such hearing, the person filing the statement, the insurer, any person to whom notice of hearing

was sent and any other person whose interests may be affected thereby shall have the right to present evidence, examine and cross-examine witnesses and offer oral and written arguments in accordance with the Kansas administrative procedure act. In the absence of intervention, such insurer or person shall have the right to present oral or written statements in accordance with K.S.A. 77-523(c), and amendments thereto.

(3) If the proposed acquisition of control will require the approval of more than one commissioner of insurance, the public hearing referred to in paragraph (2) may be held on a consolidated basis upon request of the person filing the statement referred to in subsection (a). Such person shall file the statement referred to in subsection (a) with the national association of insurance commissioners within five days of making the request for a public hearing. A commissioner of insurance may opt out of a consolidated hearing and shall provide notice to the applicant of the opt-out within 10 days of the receipt of the statement referred to in subsection (a). A hearing conducted on a consolidated basis shall be public and shall be held within the United States before the commissioners of insurance of the states in which the insurers are domiciled. Such commissioners of insurance shall hear and receive evidence. A commissioner of insurance may attend such hearing in person or by telecommunication.

(4) As a condition of a change of control of a domestic insurer, any determination by the commissioner of insurance that the person acquiring control of the insurer shall be required to maintain or restore the capital of the insurer to the level required by the laws and regulations of this state shall be made not later than 60 days after the date of notification of the change in control submitted pursuant to subsection (a).

(5) The commissioner of insurance may retain at the acquiring person's expense any attorneys, actuaries, accountants and other experts not otherwise a part of the staff of the commissioner of insurance as the commissioner of insurance deems to be reasonably necessary

to assist the commissioner of insurance in reviewing the proposed acquisition of control.

(e) The provisions of this section shall not apply to any offer, request, invitation, agreement or acquisition that the commissioner of insurance by order shall exempt therefrom as:

(1) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer; or

(2) as otherwise not comprehended within the purposes of this section.

(f) The following shall be violations of this section:

(1) The failure to file any statement, amendment or other material required to be filed pursuant to subsection (a) or (b); or

(2) the effectuation or any attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the commissioner of insurance has given the requisite approval thereto.

(g) The courts of this state are hereby vested with jurisdiction over every securityholder of a domestic insurer and every person not resident, domiciled or authorized to do business in this state who files a statement with the commissioner of insurance under this section and over all actions involving such person arising out of violations of this section. Each such person shall be deemed to have performed acts equivalent to and constituting an appointment by such a person of the commissioner of insurance to be such person's true and lawful attorney upon whom may be served all lawful process in any action, suit or proceeding arising out of violations of this section. Copies of all such lawful process shall be served on the commissioner of insurance and transmitted by registered or certified mail by the commissioner of insurance to such person at such person's last known address.

(h) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.";

On page 9, following line 35, by inserting:

"Sec. 24. K.S.A. 40-3812 is hereby amended to read as follows: 40-3812. (a) A person shall apply to be an administrator in its home state and shall receive a license from the regulatory authority of its home state prior to performing any function of an administrator in this state.

(b) A person applying to Kansas as its home state shall apply for licensure by submitting to the commissioner an application in the form prescribed by the commissioner that shall include or be accompanied by the following information and documents:

(1) All basic organizational documents of the applicant, including any articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement, certificate of existence from the Kansas secretary of state and other applicable documents and all amendments to such documents;

(2) the bylaws, rules, regulations or similar documents regulating the internal affairs of the applicant;

(3) NAIC biographical affidavits for the individuals who are directly or indirectly responsible for the conduct of affairs of the applicant, including all members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholders or members holding directly or indirectly 10% or more of the voting stock, voting securities or voting interest of the applicant and any other person who directly or indirectly exercises control or influence over the affairs of the applicant;

(4) audited annual financial statements or reports for the two most recent fiscal years that demonstrate that the applicant has a positive net worth. If the applicant has been in existence for less than two fiscal years, the uniform application shall include financial statements or

reports, certified by at least two officers, owners or directors of the applicant and prepared in accordance with GAAP, for any completed fiscal years and for any month during the current fiscal year for which such financial statements or reports have been completed. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

- (A) Amounts shown on the consolidated audited financial report shown on the worksheet;
- (B) amounts for each entity stated separately; and
- (C) explanations of consolidating and eliminating entries included.

The applicant shall also include such other information as the commissioner may require in order to review the current financial condition of the applicant;

(5) in lieu of submitting audited financial statements, and upon written application by an applicant and good cause shown, the commissioner may grant a hardship exemption from filing audited financial statements and allow the submission of unaudited financial statements.

Acceptable formats for unaudited financial statements, that shall include notes, are:

- (A) Reports compiled or reviewed by a certified public accountant; or
- (B) internal financial reports prepared in accordance with GAAP, certified by at least two officers, owners or directors of the administrator.

If unaudited financial statements are submitted, the applicant must also secure and maintain a surety bond in a form prescribed by the commissioner for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty, for the greater of 10% of funds handled for the benefit of Kansas residents or \$20,000. Administrators of self-funded plans in Kansas are subject to the mandatory surety bond requirement found in subsection (h),

regardless of whether they file audited or unaudited financial reports;

(6) a statement describing the business plan, including information on staffing levels and activities, proposed in this state and nationwide. The plan shall provide details setting forth the applicant's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, record keeping and underwriting;

(7) a license application fee ~~in the amount of~~ an amount not to exceed \$400; and

(8) such other pertinent information as may be required by the commissioner.

(c) An administrator licensed or applying for licensure under the provisions of this section shall make available for inspection by the commissioner, copies of all contracts with payors or other persons utilizing the services of the administrator.

(d) An administrator licensed or applying for licensure under the provisions of this section shall produce its accounts, records and files for examination, and makes its officers available to give information with respect to its affairs, as often as reasonably required by the commissioner.

(e) The commissioner may refuse to issue a license if the commissioner determines that the applicant or any individual responsible for the conduct of affairs of the applicant is not competent, trustworthy, financially responsible or of good personal and business reputation, or has had an insurance or an administrator certificate of authority or license denied or revoked for cause by any jurisdiction, or if the commissioner determines that any of the grounds set forth in K.S.A. 40-3810, and amendments thereto, exist with respect to the applicant.

(f) A license issued under this section shall remain valid, unless surrendered, suspended or revoked by the commissioner, for so long as the administrator continues in business in this state and remains in compliance with the provisions of this act and any applicable rules and regulations.

(g) An administrator licensed or applying for licensure under the provisions of this section shall immediately notify the commissioner of any material change in its ownership, control or other fact or circumstance affecting its qualification for a license in this state.

(h) An administrator licensed or applying for a home state license that administers or will administer governmental or church self-insured plans in this state or any other state shall maintain a surety bond for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty. The bond shall be in the greater of the following amounts:

(1) \$100,000; or

(2) an amount equal to 10% of the aggregate total amount of self-funded coverage under church plans or governmental plans handled in this state and all additional states in which the administrator is authorized to do business.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 25. K.S.A. 40-3813 is hereby amended to read as follows: 40-3813. (a) Unless an administrator has obtained a home state license in this state, any administrator who performs duties as an administrator in this state shall obtain a nonresident administrator license in accordance with the provisions of this section by filing with the commissioner the uniform application, accompanied by a letter of certification. In lieu of requiring an administrator to file a letter of certification with the uniform application, the commissioner may verify the nonresident administrator's home state certificate of authority or license status through an electronic database maintained by the NAIC, its affiliates or subsidiaries.

(b) An administrator shall not be eligible for a nonresident administrator license under the provisions of this section if it does not hold a license in a home state that has adopted a

substantially similar law governing administrators.

(c) Except as provided in subsections (b) and (h) the commissioner shall issue to the administrator a nonresident administrator license promptly upon receipt of a complete application.

(d) Each nonresident administrator shall file biennially, as a part of its application for renewal of its license, a statement that its home state administrator license remains in force and has not been revoked or suspended by its home state during the preceding years. Each nonresident administrator renewal application shall be accompanied by a renewal application fee ~~in the amount of~~ an amount not to exceed \$200.

(e) At the time of filing the application for licensing required under the provisions of this section, the nonresident administrator shall pay a license application fee ~~in the amount of~~ an amount not to exceed \$400.

(f) An administrator licensed or applying for licensure under the provisions of this section shall produce its accounts, records and files for examination, and make its officers available to give information with respect to its affairs, as often as reasonably required by the commissioner.

(g) A nonresident administrator is not required to hold a nonresident administrator license in this state if the administrator is licensed in its home state and the administrator's duties in this state are limited to:

(1) The administration of a group policy or plan and no more than a total of 20% of covered persons, for all plans the administrator services, reside in this state; and

(2) the total number of covered persons residing in this state is less than 100.

(h) The commissioner may refuse to issue a nonresident administrator license, or delay the issuance of a nonresident administrator license, if the commissioner determines that, due to

events or information obtained subsequent to the home state's licensure of the administrator, the nonresident administrator cannot satisfy the requirements of this act or that grounds exist for the home state's revocation or suspension of the administrator's home state certificate of authority or license.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 26. K.S.A. 40-3814 is hereby amended to read as follows: 40-3814. (a) Each administrator licensed under the provisions of this act shall file an annual report for the preceding calendar year with the commissioner on or before July 1 of each year, or within such extension of time as the commissioner may grant for good cause, accompanied by an annual report fee in ~~the amount of~~ an amount not to exceed \$100. The annual report shall include:

(1) An audited financial statement attested to by an independent certified public accountant. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

(A) Amounts shown on the consolidated audited financial report shown on the worksheet;

(B) amounts for each entity stated separately; and

(C) explanations of consolidating and eliminating entries included.

(2) In lieu of submitting an audited financial statement, and upon written application by an administrator and good cause shown, the commissioner may grant a hardship exemption from filing audited financial statements and allow the submission of unaudited financial statements.

Acceptable formats for unaudited financial statements, that shall include notes, are:

(A) Reports compiled or reviewed by a certified public accountant; or

(B) internal financial reports prepared in accordance with GAAP, certified by at least two officers, owners or directors of the administrator.

If unaudited financial statements are submitted, the administrator must secure and maintain a surety bond in a form prescribed by the commissioner for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty, for the greater of 10% of funds handled for the benefit of Kansas residents or \$20,000.

(b) The annual report shall be in the form and contain such matters as the commissioner prescribes and shall be verified by at least two officers, owners or directors of the administrator.

(c) The annual report shall include the complete names and addresses of all payors and for self-funded plans, all employers and trusts, with which the administrator had agreements during the preceding fiscal year. The report shall also include the number of Kansas residents covered by each of the plans.

(d) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 27. K.S.A. 2023 Supp. 40-3823 is hereby amended to read as follows: 40-3823. (a) No person shall act or operate as a pharmacy benefits manager without first obtaining a valid license issued by the commissioner.

(b) Each person seeking a license to act as a pharmacy benefits manager shall file with the commissioner an application for a license upon a form to be furnished by the commissioner. At a minimum, the application form shall include the following information:

(1) The name, address and telephone number of the pharmacy benefits manager.

(2) The name, address, official position and professional qualifications of each individual who is responsible for the conduct of the affairs of the pharmacy benefits manager,

including all members of the board of directors, board of trustees, executive committee, other governing board or committee, the principal officers in the case of a corporation, the partners or members in the case of a partnership or association.

(3) The name and address of the applicant's agent for service of process in the state.

(4) The name, address, phone number, email address and official position of the employee who will serve as the primary contact for the department.

(5) A copy of the pharmacy benefits manager's corporate charter, articles of incorporation or other charter document.

(6) A template contract, which shall include a dispute resolution process, that ultimately involves an independent fact finder between:

(A) The pharmacy benefits manager and the health insurer; or

(B) the pharmacy benefits manager and the pharmacy or a pharmacy's contracting agent.

(7) A network adequacy report on a form prescribed by the department through rules and regulations.

(c) A nonrefundable application fee ~~of~~ not to exceed \$2,500.

(d) The licensee shall inform the commissioner, by any means acceptable to the commissioner, of any material change in the information required by this subsection within 90 days of such change. Failure to timely inform the commissioner of a material change may result in a penalty against the licensee ~~in the amount of~~ an amount not to exceed \$500.

(e) Within 90 days after receipt of a completed application, the network adequacy report and the applicable license fee, the commissioner shall review the application and issue a license if the applicant is deemed qualified under this section. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and shall specify

the reason for the denial.

(f) (1) All documents, materials or other information and copies thereof in the possession or control of the department or any other governmental entity that are obtained by or disclosed to the commissioner or any other person in the course of an application, examination or investigation made pursuant to this act shall be confidential by law and privileged, shall not be subject to any open records, freedom of information, sunshine or other public record disclosure laws, and shall not be subject to subpoena or discovery.

(2) The provisions of paragraph (1) shall only apply to the disclosure of the confidential documents described in paragraph (1) by the department or any other governmental entity and shall not be construed to create any privilege in favor of any other party.

(3) The provisions of this subsection shall expire on July 1, 2027, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2027.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 28. K.S.A. 2023 Supp. 40-3824 is hereby amended to read as follows: 40-3824. (a) Each pharmacy benefits manager license shall expire on March 31 each year and may be renewed annually on the request of the licensee. The application for renewal shall be submitted on a form furnished by the commissioner and accompanied by a renewal fee ~~of not to exceed~~ \$2,500. The application for renewal shall be in such form and contain such matters as the commissioner prescribes.

(b) If a license renewal fee is not paid by the prescribed date, the amount of the fee, plus a penalty fee ~~of not to exceed~~ \$2,500 shall be paid. The pharmacy benefits manager's license may be revoked or suspended by the commissioner until the renewal fee and any penalty

assessed has been paid.

(c) Any person who performs or is performing any pharmacy benefits management service shall be required to obtain a license as a pharmacy benefits manager from the commissioner not later than January 1, 2023, in order to continue to do business in Kansas.

(d) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 29. K.S.A. 40-4103 is hereby amended to read as follows: 40-4103. Risk retention groups chartered in states other than this state seeking to do business as a risk retention group in this state shall observe and abide by the laws of this state as follows:

(a) *Notice of operations and designation of commissioner as agent.* Before offering insurance in this state, a risk retention group shall submit to the commissioner:

(1) A statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business and such other information including information on its membership, as the commissioner of this state may require to verify that the risk retention group is qualified under K.S.A. 40-4101(k), and amendments thereto;

(2) a copy of its plan of operations or a feasibility study and revisions of such plan or study submitted to its state of domicile, except that the provision relating to the submission of a plan of operation or a feasibility study shall not apply with respect to any line or classification of liability insurance that:

(A) Was defined in the product liability risk retention act of 1981 before October 27, 1986; and

(B) was offered before such date by any risk retention group that had been chartered and operating for not less than three years before such date;

(3) a statement of registration that designates the commissioner as its agent for the purpose of receiving service of legal documents or process; and

(4) a notification fee ~~in the amount of~~ an amount not to exceed \$250.

(b) *Financial condition.* Any risk retention group doing business in this state shall submit to the commissioner:

(1) A copy of the group's financial statement submitted to its state of domicile that contains a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist under criteria established by the national association of insurance commissioners;

(2) a copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination;

(3) upon request by the commissioner, a copy of any audit performed with respect to the risk retention group; and

(4) such information as may be required to verify its continuing qualification as a risk retention group under K.S.A. 40-4101(k), and amendments thereto.

(c) *Taxation.* (1) All premiums paid for coverages within this state to risk retention groups chartered outside this state shall be subject to taxation at the same rate and subject to the same interest, fines and penalties for nonpayment as that provided by K.S.A. 40-246c, and amendments thereto. Risk retention groups chartered or licensed in this state shall be taxed in accordance with K.S.A. 40-252, and amendments thereto.

(2) To the extent agents or brokers are utilized, they shall report and pay the taxes for the premiums for risks that they have placed with or on behalf of a risk retention group not chartered in this state.

(3) To the extent agents or brokers are not utilized or fail to pay the tax, each risk

retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state.

(d) *Compliance with unfair claims settlement practices law.* Any risk retention group, its agents and representatives, shall comply with K.S.A. 40-2404(9), and amendments thereto.

(e) *Deceptive, false or fraudulent practices.* Any risk retention group shall comply with the laws of this state regarding deceptive, false or fraudulent acts or practices, except that if the commissioner seeks an injunction regarding such conduct, the injunction shall be obtained from a court of competent jurisdiction.

(f) *Examination regarding financial condition.* Any risk retention group shall submit to an examination in accordance with K.S.A. 40-222 and 40-223, and amendments thereto, by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered has not initiated an examination or does not initiate an examination within 60 days after a request by the commissioner of this state.

(g) *Notice to purchasers.* Any policy issued by a risk retention group shall contain in 10 point type on the front page and the declaration page, the following notice:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

(h) *Prohibited acts regarding solicitation or sale.* The following acts by a risk retention group are hereby prohibited:

(1) The solicitation or sale of insurance by a risk retention group to any person who is not eligible for membership in such group; and

(2) the solicitation or sale of insurance by, or operation of, a risk retention group that is

in a hazardous financial condition or is financially impaired.

(i) *Prohibition on ownership by an insurance company.* No risk retention group shall be allowed to do business in this state if an insurance company is directly or indirectly a retention group all of whose members are insurance companies.

(j) *Prohibited coverage.* No risk retention group may offer insurance policy coverage prohibited by the laws of this state or declared unlawful by the supreme court of the state of Kansas.

(k) *Delinquency proceedings.* A risk retention group not chartered in this state and doing business in this state must comply with a lawful order issued in a voluntary dissolution proceeding or in a delinquency proceeding commenced by a state insurance commissioner if there has been a finding of financial impairment after an examination under subsection (f).

(l) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 30. K.S.A. 40-4116 is hereby amended to read as follows: 40-4116. (a) A purchasing group which intends to do business in this state shall furnish notice to the commissioner ~~which~~ that shall:

- (1) Identify the state in which the group is domiciled;
- (2) specify the lines and classifications of liability insurance which the purchasing group intends to purchase;
- (3) identify the insurance company from which the group intends to purchase its insurance and the domicile of such company;
- (4) identify the principal place of business of the group; and
- (5) provide such other information as may be required by the commissioner to verify that the purchasing group is qualified under ~~subsection (j)~~ of K.S.A. 40-4101(j), and amendments

thereto.

The notice submitted to the commissioner shall be accompanied by a notification fee ~~of~~ not to exceed \$250.

(b) The purchasing group shall file with the insurance department its written consent, irrevocable, that any action or garnishment proceeding may be commenced against such group in the proper court of any county in this state in which the cause of action shall arise or in which the plaintiff may reside by the service of process on the commissioner of insurance of this state and stipulating and agreeing that such service shall be taken and held in all courts to be as valid and binding as if due service had been made upon the president or chief officer of such corporation. Such consent shall be executed by the president of the company and shall be accompanied by a certified copy of the order or resolution of the board of directors, trustees or managers authorizing the president to execute the same. The summons, accompanied by a fee ~~of~~ not to exceed \$25 shall be directed to the commissioner of insurance and shall require the defendant to answer not less than 40 days from its date. Such summons, and a certified copy of the petition shall be forthwith forwarded by the clerk of the court to the commissioner of insurance, who shall immediately forward a copy of the summons and the certified copy of the petition, to the president of the group sued and thereupon the commissioner of insurance shall make return of the summons to the court from which it issued, showing the date of the receipt by the commissioner, the date of forwarding of such copies and the name and address of the person to whom the commissioner forwarded the copy. Such return shall be made under the commissioner's hand and seal of office; and shall have the same force and effect as a due and sufficient return made by the sheriff on process directed to the sheriff. The foregoing shall not apply in the case of a purchasing group ~~which that~~:

(1) (A) Was domiciled before April 2, 1986; and

(B) is domiciled on and after October 27, 1986, in any state of the United States;

(2) (A) before October 27, 1986, purchased insurance from an insurance carrier licensed in any state; and

(B) since October 27, 1986, purchased its insurance from an insurance carrier licensed in any state;

(3) was a purchasing group under the requirements of the product liability retention act of 1981 before October 27, 1986; and

(4) does not purchase insurance that was not authorized for purposes of an exemption under that act, as in effect before October 27, 1986.

(c) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 31. K.S.A. 2023 Supp. 40-4209 is hereby amended to read as follows: 40-4209. (a)

(1) No person shall act as or hold such person out to be a prepaid service plan in this state unless such person holds a certificate of registration as a prepaid service plan issued by the commissioner of insurance. An application for such certificate may be made to the commissioner of insurance on forms prescribed by the commissioner and shall include:

(A)___The completed application form;

(B)___a list of each individual who solicits memberships on behalf of such prepaid service plan; and

(C)___a filing fee of \$100.

(2) The certificate of registration may be continued for successive annual periods by notifying the commissioner of such intent, paying an annual continuation fee ~~of~~ not to exceed \$50 and advising the commissioner of insurance of any additions to or deletions from the list of individuals who solicit memberships on behalf of such prepaid service plan since the last

reporting date.

(b) The certificate of registration shall be issued to or continued for a prepaid service plan by the commissioner of insurance unless the commissioner of insurance, after due notice and hearing, determines that the prepaid service plan is not competent, trustworthy, financially responsible or of good personal and business reputation, or has had a previous application for a certificate of registration denied for cause since January 1, 1988, or within five years of the date of application, whichever is later.

(c) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 32. K.S.A. 2023 Supp. 40-4302 is hereby amended to read as follows: 40-4302. (a) Any captive insurance company, when permitted by its organizational documents, may apply to the commissioner for a certificate of authority to do any and all insurance comprised in K.S.A. 40-901 et seq., 40-1102(1)(a), (1)(c) through (1)(n), and amendments thereto, and to issue life, accident and health insurance policies provided that:

(1) No pure captive insurance company shall insure any risks other than those of its parent and affiliated companies and, upon prior approval of the commissioner, any controlled unaffiliated business up to 5% of total direct written premium;

(2) no association captive insurance company shall insure any risks other than those of its association and those of the member organizations of its association. No association captive insurance company shall expose itself to loss on any one risk or hazard in an amount exceeding 10% of its paid-up capital and surplus;

(3) no captive insurance company shall provide personal lines of insurance, workers' compensation, employers' liability insurance coverage, long-term care coverage, critical care coverage, surety, title insurance, credit insurance or any component thereof, except that a

technology-enabled fiduciary financial institution insurance company shall be permitted to provide contracts of suretyship and credit insurance in accordance with K.S.A. 2023 Supp. 40-4354, and amendments thereto;

(4) no captive insurance company shall accept or cede reinsurance except as provided in K.S.A. 40-4311, and amendments thereto;

(5) no captive insurance company shall provide accident and health, life insurance or annuities on a direct basis;

(6) no captive insurance company authorized as a life insurance company shall transact business other than life insurance; and

(7) no captive insurance company authorized to transact business under article 9 or 11 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, shall engage in the business of life insurance.

(b) No captive insurance company organized under the laws of this state shall do any insurance business in this state unless:

(1) It first obtains from the commissioner a certificate of authority authorizing it to do insurance business in this state;

(2) its board of directors, members, partners, managers, committee of managers or other governing body holds at least one meeting each year in this state;

(3) it maintains its principal place of business in this state; and

(4) it authorizes the commissioner to accept service of process on its behalf in accordance with K.S.A. 40-218, and amendments thereto.

(c) Before receiving a certificate of authority, an applicant captive insurance company shall file with the commissioner:

(1) A copy of the applicant captive insurance company's organizational documents; and

(2) a plan of operation or a feasibility study describing the anticipated activities and results of the applicant captive insurance company that shall include:

(A) The company's loss prevention program of its parent and insureds, as applicable;

(B) historical and expected loss experience of the risks to be insured or reinsured by the applicant captive insurance company;

(C) pro forma financial statements and projections of the proposed business operations of the applicant captive insurance company;

(D) an analysis of the adequacy of the applicant captive insurance company's proposed premiums, assets and capital and surplus levels relative to the risks to be insured or reinsured by the captive insurance company;

(E) a statement of the applicant captive insurance company's net retained limited liability on any contract of insurance or reinsurance it intends to issue and the nature of any reinsurance it intends to cede;

(F) a statement certifying that the applicant captive insurance company's investment policy is in compliance with this act and specifying the type of investments to be made;

(G) a statement identifying the geographic areas in which the applicant captive insurance company intends to operate;

(H) a statement identifying the persons or organizations that will perform the applicant captive insurance company's major operational functions, including management, underwriting, accounting, asset investment, claims adjusting and loss control and the adequacy of the expertise, experience and character of such persons or organizations; and

(I) whenever required by the commissioner, an appropriate opinion by a qualified independent actuary regarding the adequacy of the applicant captive insurance company's proposed capital, surplus and premium levels;

(3) a description of the coverages, deductibles, coverage limits, rates and forms, together with any additional information that the commissioner may require;

(4) such other items deemed relevant by the commissioner in ascertaining whether the proposed captive insurance company will be able to meet its obligations; and

(5) any modification or change in the items required under this subsection that shall require the prior approval of the commissioner.

(d) Each captive insurance company not in existence on January 1, 2018, shall pay to the commissioner a nonrefundable fee ~~of~~ not to exceed \$10,000 for examining, investigating and processing its application for a certificate of authority. The commissioner is authorized to retain legal, financial, actuarial, analysis and examination services from outside the department, the reasonable costs of which shall be charged against the applicant. In addition, ~~it~~ such applicant shall pay a renewal fee for each year thereafter ~~of~~ not to exceed \$10,000.

~~(e) Each captive insurance company already in existence on January 1, 2018, shall pay an annual renewal fee of \$110 until January 1, 2028, after which date the provisions of subsection (d) shall apply.~~

(~~f~~) If the commissioner is satisfied that the documents and statements that such captive insurance company has filed comply with the provisions of this act, the commissioner may grant a certificate of authority authorizing a:

(1) Captive insurance company other than a technology-enabled fiduciary financial institution to do insurance business in this state until March 1 thereafter, which certificate of authority may be renewed; and

(2) technology-enabled fiduciary financial institution insurance company to do insurance business in this state until the later of March 1 thereafter or the maturity date of the last payment-in-kind asset held by such technology-enabled fiduciary financial institution insurance

company pursuant to this act.

~~(g)~~(f) Information submitted under this section shall be and remain confidential, and shall not be made public by the commissioner or any employee or agent of the commissioner without the written consent of the company, except that:

(1) Such information may be discoverable by a party in a civil action or contested case to which the captive insurance company that submitted such information is a party, upon a showing by the party seeking to discover such information that:

(A) The information sought is relevant to and necessary for the furtherance of such action or case;

(B) the information sought is unavailable from other non-confidential sources;

(C) a subpoena issued by a judicial or administrative officer or competent jurisdiction has been submitted to the commissioner; and

(D) the privacy of a qualified policyholder shall be protected in any court proceeding concerning such qualified policyholder if the technology-enabled fiduciary financial institution insurance company so petitions the court. Upon the filing of such petition, any information, including, but not limited to, an instrument, inventory, statement or verified report produced by the technology-enabled fiduciary financial institution insurance company regarding a policy issued to a qualified policyholder or payment-in-kind assets held by the technology-enabled fiduciary financial institution insurance company to satisfy claims of such qualified policyholder, all payment-in-kind policies, all petitions relevant to such information and all court orders thereon, shall be sealed upon filing and shall not be made a part of the public record of the proceeding, except that such petition shall be available to the court, the commissioner, the technology-enabled fiduciary financial institution insurance company, their attorneys and to such other interested persons as the court may order upon a showing of good cause;

(2) the commissioner may disclose such information to a public officer having jurisdiction over the regulation of insurance in another state, provided that:

(A) Such public official shall agree in writing to maintain the confidentiality of such information; and

(B) the laws of the state in which such public official serves requires such information to be and to remain confidential;

(3) access may also be granted to the national association of insurance commissioners and its affiliates, and the international association of supervisors and its affiliates. Such parties must agree in writing prior to receiving the information to provide to it the same confidential treatment as required by this section, unless the company gives prior written consent; and

(4) the privacy of those who have established an affiliated fidfin trust or alternative asset custody account shall be protected in any court proceeding concerning such trust or custody account if the acting trustee, custodian, trustor or any beneficiary so petition the court. Upon the filing of such a petition, the instrument, inventory, statement filed by any trustee or custodian, annual verified report of the trustee or custodian and all petitions relevant to trust administration and all court orders thereon shall be sealed upon filing and shall not be made a part of the public record of the proceeding, except that such petition shall be available to the court, the trustor, the trustee, the custodian, any beneficiary, their attorneys and to such other interested persons as the court may order upon a showing of good cause.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 33. K.S.A. 40-4323 is hereby amended to read as follows: 40-4323. (a) As used in this section, unless the context requires otherwise, "dormant captive insurance company" means a captive insurance company that has:

(1) Ceased transacting the business of insurance, including the issuance of insurance policies; and

(2) no remaining liabilities associated with insurance business transactions or insurance policies issued prior to the filing of its application for a certificate of dormancy under this section.

(b) A captive insurance company domiciled in Kansas that meets the criteria of subsection (a) may apply to the commissioner for a certificate of dormancy. The certificate of dormancy shall be subject to renewal every five years and shall be forfeited if not renewed within such time.

(c) A dormant captive insurance company that has been issued a certificate of dormancy shall:

(1) Possess and thereafter maintain unimpaired, paid-in capital and surplus of not less than \$25,000;

(2) prior to March 15 of each year, submit to the commissioner a report of its financial condition, verified by oath by two of its executive officers, in a form as may be prescribed by the commissioner; and

(3) pay a license renewal fee ~~of~~ not to exceed \$500.

(d) A dormant captive insurance company shall not be subject to or liable for the payment of any tax under K.S.A. 40-4314, and amendments thereto, or as provided in article 28 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(e) A dormant captive insurance company shall apply to the commissioner for approval to surrender its certificate of dormancy and resume conducting the business of insurance prior to issuing any insurance policies.

(f) A certificate of dormancy shall be revoked if a dormant captive insurance company

no longer meets the criteria of subsection (a).

(g) The commissioner may promulgate rules and regulations as necessary to carry out the provisions of this section.

(h) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 34. K.S.A. 40-4334 is hereby amended to read as follows: 40-4334. (a) To transact business in Kansas, a special purpose insurance captive shall:

(1) Obtain from the commissioner a certificate of authority authorizing it to conduct reinsurance business in Kansas;

(2) hold at least one meeting of its board of directors each year within Kansas;

(3) maintain its principal place of business in Kansas;

(4) authorize the commissioner to accept service of process on its behalf in accordance with K.S.A. 40-218, and amendments thereto;

(5) maintain unimpaired paid-in capital and surplus of not less than \$5,000,000;

(6) maintain a risk-based capital of at least 200%; and

(7) pay all applicable fees as required by this act.

(b) A special purpose insurance captive, when permitted by its organizational documents, may apply to the commissioner for a certificate of authority to conduct reinsurance in Kansas as authorized by this section.

(1) An authorized special purpose insurance captive may only reinsure the risks of its ceding company. A special purpose insurance captive may reinsure risks of more than one ceding company, provided all ceding companies from which a special purpose insurance captive assumes risks shall be affiliated with one another.

(2) An authorized special purpose insurance captive may cede all or a portion of its

assumed risks under ceded reinsurance agreements.

(3) An authorized special purpose insurance captive may take credit or a reduction from liability for the reinsurance of risks or portions of risks ceded to a reinsurer in accordance with K.S.A. 40-221a, and amendments thereto, or as otherwise approved by the commissioner.

(c) To obtain a certificate of authority to transact business as a special purpose insurance captive in Kansas, the special purpose insurance captive shall:

(1) File an application, which shall include the following:

(A) Certified copies of its organizational documents;

(B) a statement under oath from any of the applicant's officers as to the financial condition of the applicant as of the time the application is filed;

(C) evidence of the applicant's assets as of the time of the application;

(D) complete biographical sketches for each officer and director on forms created by the NAIC;

(E) a plan of operation as described in K.S.A. 40-4335, and amendments thereto;

(F) an affidavit signed by the applicant that the special purpose insurance captive will operate only in accordance with the provisions of this section and its plan of operation;

(G) a description of the investment strategy the special purpose insurance captive will follow; and

(H) a description of the source and form of the initial minimum capital proposed in the plan of operation; and

(2) have deposited with the commissioner of insurance pursuant to K.S.A. 40-229a, and amendments thereto, securities authorized by K.S.A. 40-2a01 et seq., and amendments thereto, in an amount equal to not less than the minimum capital stock required of such company for the protection of its policyholders or creditors, or both;

(3) demonstrate that the minimum surplus required is established and held in Kansas; and

(4) provide copies of any filings made by the ceding company with the ceding company's domiciliary insurance regulator to obtain approval for the ceding company to enter into the special purpose insurance captive contract and copies of any filings made by any affiliate of the special purpose insurance captive to obtain regulatory approval to contribute capital to the special purpose insurance captive or to acquire direct or indirect ownership of the special purpose insurance captive. The special purpose insurance captive shall provide copies of any letters of approval or disapproval received from the insurance regulator responding to such filing.

(d) The commissioner may require the special purpose insurance captive to revise its plan of operation under K.S.A. 40-4335, and amendments thereto, and meet all requirements imposed by a revised plan of operation as approved by the commissioner thereunder.

(e) The department shall act upon a complete application within 30 days of its filing. Upon good cause shown, the commissioner may extend the time to act on the application by 30 days.

(f) In the event the ceding company is not required to make filings with its domiciliary insurance regulator as described in subsection (c)(4), no such filing shall be required under subsection (c)(4) in Kansas, provided the applicant provides the commissioner with a certification signed by one of its officers attesting that no such filing is required with the ceding company's domiciliary regulator.

(g) Once granted, a certificate of authority under this section shall continue until March 1 of each year. At such time, the certificate of authority may be renewed at the discretion of the commissioner.

(h) A special purpose insurance captive shall pay to the commissioner a nonrefundable

application fee ~~of~~ not to exceed \$10,000 for examining, investigating and processing its application for certificate of authority, and the commissioner is authorized to retain legal, financial, actuarial and examination services from outside the department, the reasonable costs of which may be additionally charged against the applicant. In addition, each special purpose insurance captive shall pay a renewal fee for each year thereafter ~~of~~ not to exceed \$10,000.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 35. K.S.A. 40-4503 is hereby amended to read as follows: 40-4503. (a) No person, firm, association or corporation shall act as a reinsurance broker in this state if the reinsurance broker maintains an office either directly or as a member or employee of a firm or association, or as an officer, director or employee of a corporation:

- (1) In this state, unless such reinsurance broker is a licensed producer in this state;
- (2) in another state, unless such reinsurance broker is a licensed producer in this state or another state having a law substantially similar to this act or such reinsurance broker is licensed in this state as a nonresident reinsurance intermediary.

(b) No person, firm, association or corporation shall act as a reinsurance manager:

- (1) For a reinsurer domiciled in this state, unless such reinsurance manager is a licensed producer in this state;
- (2) in this state, if the reinsurance manager maintains an office either directly or as a member or employee of a firm or association, or an officer, director or employee of a corporation in this state, unless such reinsurance manager is a licensed producer in this state;
- (3) in another state for a nondomestic insurer, unless such reinsurance manager is a licensed producer in this state or another state having a law substantially similar to this act or such person is licensed in this state as a nonresident reinsurance intermediary.

(c) The commissioner may require a reinsurance manager subject to subsection (b) to file a bond in an amount from an insurer acceptable to the commissioner for the protection of each reinsurer represented.

(d) (1) The commissioner may issue a reinsurance intermediary license to any person, firm, association or corporation who has complied with the requirements of this act. Before any such license may be issued, the applicant shall submit proper application therefor on a form prescribed by the commissioner which shall be accompanied by an initial fee ~~of~~ not to exceed \$150. Any license so issued shall remain in effect until suspended, revoked, voluntarily surrendered or otherwise terminated by the commissioner or licensee subject to payment of an annual continuation fee ~~of~~ not to exceed \$100 on or before May 1 of each year. Any such license issued to a firm or association will authorize all the members of such firm or association and any designated employees to act as reinsurance intermediaries under the license, and all such persons shall be named in the application and any supplements thereto. Any such license issued to a corporation shall authorize all of the officers, and any designated employees and directors thereof, to act as reinsurance intermediaries on behalf of such corporation, and all such persons shall be named in the application and any supplements thereto.

(2) If the applicant for a reinsurance intermediary license is a nonresident, such applicant, as a condition precedent to receiving or holding a license, shall designate the commissioner as agent for service of process in the manner, and with the same legal effect, as is provided for by this act for designation of service of process upon insurers holding a Kansas certificate of authority. Such applicant shall furnish the commissioner with the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such nonresident reinsurance intermediary may be served. Such licensee shall promptly notify the commissioner in writing of every change in its designated agent for service of process, and

such change shall not become effective until acknowledged by the commissioner.

(e) The commissioner may, after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act, held on not less than 20 days' notice, refuse to issue a reinsurance intermediary license if, in the judgment of the commissioner, the applicant, any one named on the application, or any member, principal, officer or director of the applicant, is not trustworthy, or any controlling person of such applicant is not trustworthy to act as a reinsurance intermediary, or any of the foregoing has given cause for revocation or suspension of such license, or has failed to comply with any prerequisite for the issuance of such license.

(f) Licensed attorneys at law in this state when acting in their professional capacity as such shall be exempt from this section.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 36. K.S.A. 2023 Supp. 40-4903 is hereby amended to read as follows: 40-4903. (a) Unless denied licensure pursuant to K.S.A. 40-4909, and amendments thereto, any person who meets the requirements of K.S.A. 40-4905, and amendments thereto, shall be issued an insurance agent license. An insurance agent may receive qualifications for a license in one or more of the following lines of authority:

(1) Life: Insurance coverage on human lives including benefits of endowment and annuities; and may include benefits in the event of death or dismemberment by accident and benefits for disability income.

(2) Accident and health or sickness: Insurance coverage for sickness, bodily injury or accidental death and may include benefits for disability income.

(3) Property: Insurance coverage for the direct or consequential loss or damage to property of every kind.

(4) Casualty: Insurance coverage against legal liability, including that for death, injury or disability or damage to real or personal property.

(5) Variable life and variable annuity products: Insurance coverage provided under variable life insurance contracts, variable annuities or any other life insurance or annuity product that reflects the investment experience of a separate account.

(6) Personal lines: Property and casualty insurance coverage sold primarily to an individual or family for noncommercial purposes.

(7) Credit: Limited line credit insurance.

(8) Crop insurance: Limited line insurance for damage to crops from unfavorable weather conditions, fire, lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or any other peril subsidized by the federal crop insurance corporation, including multi-peril crop insurance.

(9) Title insurance: Limited line insurance that insures titles to property against loss by reason of defective titles or encumbrances.

(10) (A) Travel insurance: Limited line insurance for personal risks incidental to planned travel, including, but not limited to:

(i) Interruption or cancellation of trip or event;

(ii) loss of baggage or personal effects;

(iii) damages to accommodations or rental vehicles;

(iv) sickness, accident, disability or death occurring during travel;

(v) emergency evacuation;

(vi) repatriation of remains; or

(vii) any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the commissioner.

(B) Travel insurance does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting six months or longer, for example, persons working overseas including military personnel deployed overseas.

(11) Pre-need funeral insurance: Limited line insurance that allows for the purchase of a life insurance or annuity contract by or on behalf of the insured solely to fund a pre-need contract or arrangement with a funeral home for specific services.

(12) Bail bond insurance: Limited line insurance that provides surety for a monetary guarantee that an individual released from jail will be present in court at an appointed time.

(13) Self-service storage unit insurance: Limited line insurance relating to the rental of self-service storage units, including:

(A) Personal effects insurance that provides coverage to renters of storage units at the same facility for the loss of, or damage to, personal effects that occurs at the same facility during the rental period; and

(B) any other coverage that the commissioner may approve as meaningful and appropriate in connection with the rental of storage units. Such insurance may only be issued in accordance with K.S.A. 40-241, and amendments thereto.

(14) Any other line of insurance permitted under the provisions of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations promulgated thereunder.

(b) Unless suspended, revoked or refused renewal pursuant to K.S.A. 40-4909, and amendments thereto, an insurance agent license shall remain in effect as long as:

(1) Education requirements for resident individual agents are met by such insurance agent's biennial due date;

(2) such insurance agent submits an application for renewal on a form prescribed by the

commissioner; and

(3) such insurance agent pays a biennial renewal application fee ~~of~~ not to exceed \$4.

(c) Except as provided in paragraphs (1) through (4), each licensed insurance agent shall biennially obtain a minimum of 18 C.E.C.s that include at least three hours of instruction in insurance ethics that also may include regulatory compliance.

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

(2) Each licensed insurance agent who is an individual and is licensed only for title insurance shall biennially obtain a minimum of four C.E.C.s in courses certified by the board of abstract examiners as title C.E.C.s under the property and casualty category.

(3) Each licensed insurance agent who is an individual and holds a life insurance license solely for the purpose of selling pre-need funeral insurance or annuity products shall file a report on or before such agent's biennial due date affirming that such agent transacted no other insurance business during the period covered by the report and shall provide certification from an officer of each insurance company that has appointed such agent that the agent transacted no other insurance business during the period covered by the report. Agents who have offered to sell or sold only pre-need funeral insurance are exempt from the requirement to obtain C.E.C.s.

(4) Each licensed insurance agent who is an individual and holds only a bail bond, self-service storage unit or travel insurance qualification is exempt from the requirement to obtain C.E.C.s.

(5) (A) A licensed insurance agent who is a member of the national guard or any reserve component of the armed services of the United States who serves on active duty for at least 90 consecutive days shall be exempt from the requirement to obtain C.E.C.s during the time

that such insurance agent is on active duty.

(B) The commissioner shall grant an extension to any licensed insurance agent described in subparagraph (A) until the biennial due date that occurs in the year next succeeding the year in which such active duty ceases.

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

(e) (1) An individual insurance agent who has been licensed for more than one year, on or before such insurance agent's biennial due date, shall file a report with the commissioner certifying that such insurance agent has met the continuing education requirements for the previous biennium ending on such insurance agent's biennial due date. Each individual insurance agent shall maintain a record of all courses attended together with a certificate of attendance for the remainder of the biennium in which the courses were attended and the entire next succeeding biennium.

(2) If the required report showing proof of continuing education completion is not received by the commissioner by the individual insurance agent's biennial due date, such individual insurance agent's qualification and each and every corresponding license shall be suspended automatically for a period of 90 calendar days or until such time as the producer satisfactorily demonstrates completion of the continuing education requirement whichever is sooner. In addition, the commissioner shall assess a penalty of \$100 for each license suspended. If such insurance agent fails to furnish to the commissioner the required proof of continuing education completion and the monetary penalty within 90 calendar days of such insurance agent's biennial due date, such individual insurance agent's qualification and each and every corresponding license shall expire on such insurance agent's biennial due date. If after more than three but less than 12 months from the date the license expired, the insurance agent wants to

reinstate such insurance agent's license, such individual shall provide the required proof of continuing education completion and pay a reinstatement fee in the amount of \$100 for each license suspended. If after more than 12 months from the date an insurance agent's license has expired, such insurance agent wants to reinstate such insurance agent's license, such individual shall apply for an insurance agent's license, provide the required proof of continuing education completion and pay a reinstatement fee in the amount of \$100 for each license suspended. Upon receipt of a written application from such insurance agent claiming extreme hardship, the commissioner may waive any penalty imposed under this subsection.

(3) On and after the effective date of this act, any applicant for an individual insurance agent's license who previously held a license that expires on or after June 30, 2001, because of failure to meet continuing education requirements and who seeks to be relicensed shall provide evidence that appropriate C.E.C.s have been completed for the prior biennium.

(4) Upon receipt of a written application from an individual insurance agent, the commissioner, in cases involving medical hardship or military service, may extend the time within which to fulfill the minimum continuing educational requirements for a period of not to exceed 180 days.

(5) This section shall not apply to any inactive insurance agent during the period of such inactivity. For the purposes of this paragraph, "inactive period" or "period of inactivity" means a continuous period of time of not more than four years starting from the date inactive status is granted by the commissioner. Before returning to active status, such inactive insurance agent shall:

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

(B) pay the renewal fee. If the required proof of continuing education completion and

the renewal fee is not furnished at the end of the inactive period, such individual insurance agent's qualification and each and every corresponding license shall expire at the end of the period of inactivity. For issuance of a new license, the individual shall apply for a license and pass the required examination.

(6) Any individual who allows such individual's insurance agent license in this state and all other states in which such individual is licensed as an insurance agent to expire for a period of four or more consecutive years, shall apply for a new insurance agent license and pass the required examination.

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

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

- (A) The name of the provider or provider organization;
 - (B) the title of such course, program of study or subject;
 - (C) the date the course, program of study or subject will be offered;
 - (D) the location where the course, program of study or subject will be offered;
 - (E) an outline of each course, program of study or subject including a schedule of times when such material will be presented;
 - (F) the names and qualifications of instructors;
 - (G) the number of C.E.C.s requested;
 - (H) a nonrefundable C.E.C. qualification fee ~~in the amount of~~ an amount not to exceed \$50 per course, program of study or subject or an amount not to exceed \$250 per year for all courses, programs of study or subjects submitted by a specific provider or provider organization;
- and

(1) a nonrefundable annual provider fee ~~of~~ not to exceed \$100.

(3) Upon receipt of such information, the commissioner shall grant or deny certification of any submitted course, program of study or subject as an approved subject, program of study or course and indicate the number of C.E.C.s that will be recognized for each approved course, program of study or subject. Each approved course, program of study or subject shall be assigned by the commissioner to one or both of the following classes:

(A) Property and casualty; or

(B) life insurance, including annuity and variable contracts, and accident and health insurance.

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

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

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

(6) The commissioner may grant or approve any specific course, program of study or

course that has appropriate merit, such as any course, programs of study or course with broad national or regional recognition, without receiving any request for certification. The fee prescribed by subsection (f)(2) shall not apply to any approval granted pursuant to this provision.

(7) The C.E.C. value assigned to any course, program of study or subject, other than a correspondence course, computer based training, interactive internet study training or other course pursued by independent study, shall in no way be contingent upon passage or satisfactory completion of any examination given in connection with such course, program of study or subject. The commissioner shall establish, by rules and regulations criteria for determining acceptability of any method used for verification of the completion of each stage of any computer based or interactive internet study training. Completion of any computer based training or interactive internet study training shall be verified in accordance with a method approved by the commissioner.

(g) Upon request, the commissioner shall provide a list of all approved continuing education courses currently available to the public.

(h) An individual insurance agent who independently studies an insurance course, program of study or subject that is not an agent's examination approved by the commissioner shall receive credit for the C.E.C.s assigned by the commissioner as recognition for the approved subject. No other credit shall be given for independent study.

(i) Any licensed individual insurance agent who is unable to comply with license renewal procedures due to military service or some other extenuating circumstances may request a waiver of those procedures from the commissioner. Such agent may also request from the commissioner a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.

(j) Not later than December 1 of each year, the commissioner shall set and publish in

the Kansas register the fees pursuant to this section for the next calendar year.

Sec. 37. K.S.A. 40-5003 is hereby amended to read as follows: 40-5003. (a) No person shall operate as a viatical settlement provider or viatical settlement broker without first obtaining a license from the commissioner or the insurance regulatory official of the state of residence of the viator. If there is more than one viator on a single policy and the viators are residents of different states, the viatical settlement shall be governed by the law of the state in which the viator having the largest percentage ownership resides or, if the viators hold equal ownership, the state of residence of one viator agreed upon in writing by all viators.

(b) Application for a viatical settlement provider license shall be made to the commissioner by the applicant on a form prescribed by the commissioner, and these applications shall be accompanied by a nonrefundable fee ~~of~~ not to exceed \$1,000.

(c) Licenses for viatical settlement providers may be renewed from year to year on the anniversary date upon payment of the annual renewal fee ~~of~~ not to exceed \$500. Failure to pay the fees by the renewal date results in expiration of the license.

(d) Application for a viatical settlement broker license shall be made to the commissioner by the applicant on a form prescribed by the commissioner. Each application shall be accompanied by a nonrefundable application fee ~~of~~ not to exceed \$100.

(e) Licenses for a viatical settlement broker license may be renewed from year to year on the anniversary date upon payment of the annual renewal fee ~~of~~ not to exceed \$50. Failure to pay the fees by the renewal date results in expiration of such license.

(f) The applicant shall provide information on forms required by the commissioner. The commissioner shall have authority, at any time, to require the applicant to fully disclose the identity of all stockholders, partners, officers, members and employees, and the commissioner, in the exercise of the commissioner's discretion, may refuse to issue a license in the name of a legal

entity if not satisfied that any officer, employee, stockholder, partner or member thereof who may materially influence the applicant's conduct meets the standards of this act.

(g) A license issued to a legal entity authorizes all partners, officers, members and designated employees to act as viatical settlement providers or viatical settlement brokers, as applicable, under the license, and all those persons shall be named in the application and any supplements to the application.

(h) Upon the filing of an application and the payment of the license fee, the commissioner shall make an investigation of each applicant and issue a license if the commissioner finds that the applicant:

- (1) If a viatical settlement provider, has provided a detailed plan of operation;
- (2) is competent and trustworthy and intends to act in good faith in the capacity involved by the license applied for;
- (3) has a good business reputation and has had experience, training or education so as to be qualified in the business for which the license is applied for;
- (4) if a legal entity, provides a certificate of good standing from the state of its domicile; and
- (5) if a viatical settlement provider or viatical settlement broker, has provided an anti-fraud plan that meets the requirements of ~~paragraph (g)~~ of K.S.A. 40-5012(g), and amendments thereto.

(i) The commissioner shall not issue a license to a nonresident applicant, unless a written designation of an agent for service of process is filed and maintained with the commissioner or the applicant has filed with the commissioner, the applicant's written irrevocable consent that any action against the applicant may be commenced against the applicant by service of process on the commissioner.

(j) A viatical settlement provider or viatical settlement broker shall provide to the commissioner new or revised information about officers, 10% or more stockholders, partners, directors, members or designated employees within 30 days of the change.

(k) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required by this section for the next calendar year.

Sec. 38. K.S.A. 40-5509 is hereby amended to read as follows: 40-5509. (a) An individual who has met the requirements for licensure under this act shall be issued a public adjuster license. A public adjuster license shall remain in effect, unless revoked, terminated or suspended, as long as the request for renewal is timely submitted and a license renewal fee ~~of not~~ to exceed \$100 is paid and any other requirements for license renewal are met by the due date. The licensee shall inform the commissioner by any means acceptable to the commissioner of a change of address, change of legal name or change of information submitted on the application within 30 days of the change.

(b) A public adjuster shall be subject to the provisions ~~of subsection (9) of~~ K.S.A. 40-2404(9), and amendments thereto.

(c) A public adjuster who allows such person's license to lapse may, within 12 months from the due date of the renewal, be issued a new public adjuster license upon the commissioner's receipt of proof that the licensee has satisfactorily completed the renewal process and the licensee's payment of a reinstatement fee of \$100. The new public adjuster license shall be effective the date the commissioner receives such proof and the reinstatement fee.

(d) A licensed public adjuster that is unable to comply with license renewal procedures due to military service, a long-term medical disability or some other extenuating circumstance, may request an extension of time to comply with those procedures.

(e) The public adjuster license shall contain the licensee's name, city and state of

business address, personal identification number, the date of issuance, the expiration date and any other information the commissioner deems necessary.

(f) In order to assist in the performance of the commissioner's duties, the commissioner may contract with non-governmental entities, including the NAIC, to perform any ministerial functions, including the collection of fees and data related to licensing that the commissioner may deem appropriate.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required by this section for the next calendar year.

Sec. 39. On and after July 1, 2026, K.S.A. 44-512 is hereby amended to read as follows: 44-512. Workers compensation payments shall be made at the same time, place and in the same manner as the wages of the worker were payable at the time of the accident, but upon the application of either party the administrative law judge may modify such requirements in a particular case as the administrative law judge deems just, except that: (a) Payments from the workers compensation fund established by K.S.A. 44-566a, and amendments thereto, shall be made in the manner approved by the commissioner of insurance; (b) payments from the state workers compensation self-insurance fund established by K.S.A. 44-575, and amendments thereto, shall be made in a manner approved by the ~~secretary of health and environment~~ commissioner of insurance; and (c) whenever temporary total disability compensation is to be paid under the workers compensation act, payments shall be made only in cash, by check or in the same manner that the employee is normally compensated for salary or wages and not by any other means, except that any such compensation may be paid by warrant of the director of accounts and reports issued for payment of such compensation from the workers compensation fund or the state workers compensation self-insurance fund under the workers compensation act.

Sec. 40. On and after July 1, 2026, K.S.A. 44-575 is hereby amended to read as

follows: 44-575. (a) As used in K.S.A. 44-575 through 44-580, and amendments thereto, "state agency" means the state, or any department or agency of the state, but not including the Kansas turnpike authority, the university of Kansas hospital authority, any political subdivision of the state or the district court with regard to district court officers or employees whose total salary is payable by counties.

(b) For the purposes of providing for the payment of compensation for claims arising on and after July 1, 1974, and all other amounts required to be paid by any state agency as a self-insured employer under the workers compensation act and any amendments or additions thereto, there is hereby established the state workers compensation self-insurance fund in the state treasury. The name of the state workmen's compensation self-insurance fund is hereby changed to the state workers compensation self-insurance fund. Whenever the state workmen's compensation self-insurance fund is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the state workers compensation self-insurance fund.

(c) The state workers compensation self-insurance fund shall be liable to pay: (1) All compensation for claims arising on and after July 1, 1974, and all other amounts required to be paid by any state agency as a self-insured employer under the workers compensation act and any amendments or additions thereto; (2) the amount that all state agencies are liable to pay of the "carrier's share of expense" of the administration of the office of the director of workers' compensation as provided in K.S.A. 74-712 through 74-719, and amendments thereto, for each fiscal year; (3) all compensation for claims remaining from the self-insurance program which existed prior to July 1, 1974, for institutional employees of the commission of community services and programs of the Kansas department for aging and disability services; (4) the cost of administering the state workers compensation self-insurance fund including the defense of such

fund and any costs assessed to such fund in any proceeding to which it is a party; and (5) the cost of establishing and operating the state workplace health and safety program under subsection (f). For the purposes of K.S.A. 44-575 through 44-580, and amendments thereto, all state agencies are hereby deemed to be a single employer whose liabilities specified in this section are hereby imposed solely upon the state workers compensation self-insurance fund and such employer is hereby declared to be a fully authorized and qualified self-insurer under K.S.A. 44-532, and amendments thereto, but such employer shall not be required to make any reports thereunder.

(d) ~~The secretary of health and environment~~ commissioner of insurance shall administer the state workers compensation self-insurance fund and all payments from such fund shall be upon warrants of the director of accounts and reports issued pursuant to vouchers approved by ~~the secretary of health and environment~~ commissioner of insurance or a person or persons designated by ~~the secretary~~ commissioner. The director of accounts and reports may issue warrants pursuant to vouchers approved by ~~the secretary~~ commissioner of insurance for payments from the state workers compensation self-insurance fund notwithstanding the fact that claims for such payments were not submitted or processed for payment from money appropriated for the fiscal year in which the state workers compensation self-insurance fund first became liable to make such payments.

(e) ~~The secretary of health and environment~~ commissioner of insurance shall remit all moneys received by or for ~~the secretary~~ commissioner in the capacity as administrator of the state workers compensation self-insurance fund, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state workers compensation self-insurance fund.

(f) There is hereby established the state workplace health and safety program within the

state workers compensation self-insurance program of the ~~insurance department of health and environment~~. The ~~secretary of health and environment~~ commissioner of insurance shall implement and the division of industrial health and safety of the Kansas department of labor shall assist in administering the state workplace health and safety program for state agencies. The state workplace health and safety program shall include, but not be limited to:

- (1) Workplace health and safety hazard surveys in all state agencies, including onsite interviews with employees;
- (2) workplace health and safety hazard prevention services, including inspection and consultation services;
- (3) procedures for identifying and controlling workplace hazards;
- (4) development and dissemination of health and safety informational materials, plans, rules and work procedures; and
- (5) training for supervisors and employees in healthful and safe work practices.

Sec. 41. On and after July 1, 2026, K.S.A. 44-577 is hereby amended to read as follows: 44-577. (a) All claims for compensation under the workers compensation act against any state agency for claims arising on and after July 1, 1974, and claims for compensation remaining from the self-insurance program which existed prior to July 1, 1974, for institutional employees of the commission of community services and programs of the Kansas department for aging and disability services shall be made against the state workers compensation self-insurance fund. Such claims shall be served upon the ~~secretary of health and environment~~ commissioner of insurance in the ~~secretary's~~ commissioner's capacity as administrator of the state workers compensation self-insurance fund in the manner provided for claims against other employers under the workers compensation act. The chief attorney for the ~~insurance department of health and environment~~, or another attorney of the ~~insurance department of health and environment~~

designated by the chief attorney, shall represent and defend the state workers compensation self-insurance fund in all proceedings under the workers compensation act.

(b) ~~The secretary of health and environment~~ commissioner of insurance shall investigate, or cause to be investigated, each claim for compensation against the state workers compensation self-insurance fund. For the purposes of such investigations, ~~the secretary of health and environment~~ commissioner of insurance is authorized to obtain expert medical advice regarding the injuries, occupational diseases and disabilities involved in such claims. If, based upon such investigation and any other available information, ~~the secretary of health and environment~~ commissioner of insurance finds that there is no material dispute as to any issue involved in the claim, that the claim is valid and that the claim should be settled by agreement, ~~the secretary of health and environment~~ commissioner of insurance may proceed to enter into such an agreement with the claimant, for the state workers compensation self-insurance fund. Any such agreement may provide for lump-sum settlements subject to approval by the director and all such agreements shall be filed in the office of the director for approval as provided in K.S.A. 44-527, and amendments thereto. All other claims for compensation against such fund shall be paid in accordance with the workers compensation act pursuant to final awards or orders of an administrative law judge or the board or pursuant to orders and findings of the director under the workers compensation act.

(c) For purposes of the workers compensation act, a volunteer member of a regional emergency medical response team as provided in K.S.A. 48-928, and amendments thereto, shall be considered a person in the service of the state in connection with authorized training and upon activation for emergency response, except when such duties arise in the course of employment or as a volunteer for an employer other than the state.

Sec. 42. On and after July 1, 2026, K.S.A. 44-578 is hereby amended to read as

follows: 44-578. ~~The secretary of health and environment~~ commissioner of insurance may adopt rules and regulations necessary for the administration of the state workers compensation self-insurance fund, including the processing and settling of claims for compensation made against such fund.";

On page 15, following line 28, by inserting:

"Sec. 45. On and after July 1, 2026, K.S.A. 2023 Supp. 75-6502 is hereby amended to read as follows: 75-6502. (a) There is hereby established the Kansas state employees health care commission which is composed of seven members as follows: (1) The commissioner of insurance; (2) the secretary of administration; (3) a current state employee who is currently enrolled in the state healthcare benefits program group health insurance medical plan, appointed by the governor; (4) a person who retired from a position in state service and who is currently enrolled in the state healthcare benefits program group health insurance medical plan, appointed by the governor; (5) a representative of the general public, appointed by the governor; (6) a member of the senate ways and means committee, appointed by the president of the senate; and (7) a member of the house of representatives appropriations committee, appointed by the speaker of the house of representatives. A state officer or employee may not be appointed as the member representative of the general public.

(b) Each member appointed under this section by the governor shall serve at the pleasure of the governor. The member appointed by the president of the senate shall serve at the pleasure of the president of the senate, and the member appointed by the speaker of the house of representatives shall serve at the pleasure of the speaker of the house of representatives. Not more than five members of the commission shall be members of the same political party.

(c) The chairperson of the commission shall be ~~designated by the governor~~ commissioner of insurance. The commission shall meet at least once each calendar quarter and at

such other times as may be required on call of the chairperson or any three members thereof.

(d) A quorum of the Kansas state employees health care commission shall be four. All actions of the commission shall be taken by a majority of all of the members of the commission.

(e) Members of the Kansas state employees health care commission attending meetings of such commission, or attending a subcommittee meeting thereof authorized by such commission, shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto.

Sec. 46. On and after July 1, 2026, K.S.A. 75-6503 is hereby amended to read as follows: 75-6503. (a) Except as otherwise provided by this act, all budgeting, purchasing and related management functions of the Kansas state employees health care commission shall be administered by the ~~secretary of administration under the direction and supervision of the chairperson of the commission~~ commissioner of insurance. All vouchers for expenditures and all payrolls of the Kansas state employees health care commission shall be approved by the chairperson of the commission or by a person or persons designated by the chairperson.

(b) There is hereby created the position of technical administrator for the state health care ~~benefit~~ benefits program. Under the direction and supervision of the ~~secretary of administration~~ commissioner of insurance, the technical administrator shall provide primary staffing assistance to the commission and perform such other functions and duties as may be prescribed by the commission. The technical administrator shall be in the ~~classified or unclassified~~ service under the Kansas civil service act ~~as specified by the secretary of administration~~ and shall be appointed by the ~~secretary of administration~~ commissioner of insurance. Within the limits of available appropriations, the ~~secretary of administration~~ commissioner of insurance shall provide such additional assistance as may be requested by the commission.";

Also on page 15, in line 29, after "K.S.A." by inserting "40-205a, 40-218, 40-252, 40-2,133, 40-504, 40-956,"; also in line 29, after the second comma by inserting "40-22a04, 40-2604, 40-2702,"; also in line 29, after the third comma by inserting "40-3213, 40-3217, 40-3304,"; also in line 29, after the fourth comma by inserting "40-3812, 40-3813, 40-3814, 40-4103, 40-4116, 40-4323, 40-4334, 40-4503, 40-5003, 40-5509, 44-512,"; in line 30, after "75-4101" by inserting "and K.S.A. 2023 Supp. 40-2,125, 40-3823, 40-3824, 40-4209, 40-4302, 40-4903 and 75-6502";

Also on page 15, following line 30, by inserting:

"Sec. 48. On and after July 1, 2026, K.S.A. 40-412, 44-575, 44-577, 44-578, 75-6503 and 65-6506a and K.S.A. 2023 Supp. 75-37,162, 75-37,163, 75-37,164, 75-37,165, 75-37,166, 75-37,167 75-37,168. 75-37,169, 75-37,170, 75-37,171, and 75-6502 are hereby repealed.";

Also on page 15, in line 32, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after the semicolon by inserting "relating to the powers, duties and responsibilities of the commissioner of insurance;" in line 4, after the semicolon by inserting "authorizing the commissioner of insurance to set the amount of certain fees and requiring the publication of such fees in the Kansas register not later than December 1 of each year for the following year; removing automobile club from the list of entities subject to the jurisdiction of the commissioner of insurance; transferring the state health care benefits program and the state workers compensation self-insurance fund from the division of the state employee health benefits plan of the department of administration to the insurance department and providing that all management functions of the state employees healthcare commission shall be administered by the commissioner of insurance; eliminating a pilot program regarding employer contributions for certain children"; also in line 4, after "K.S.A." by inserting "40-205a, 40-218, 40-252, 40-2,133, 40-504, 40-956,"; also in line 4, after the second comma by inserting "40-

22a04, 40-2604, 40-2702,"; also in line 4, after the third comma by inserting "40-3213, 40-3304,"; in line 5, after the comma by inserting "40-3812, 40-3813, 40-3814, 40-4103, 40-4116, 40-4323, 40-4334, 40-4503, 40-5003, 40-5509, 44-512, 44-575, 44-577, 44-578,"; also in line 5, by striking the first "and" and inserting a comma; also in line 5, after "75-4101" by inserting "and 75-6503 and K.S.A. 2023 Supp. 40-2,125, 40-3823, 40-3824, 40-4209, 40-4302, 40-4903 and 75-6502"; also in line 5, after "sections" by inserting "; also repealing K.S.A. 40-3217 and 75-6506a and K.S.A. 2023 Supp. 75-37,162, 75-37,163, 75-37,164, 75-37,165, 75-37,166, 75-37,167, 75-37,168, 75-37,169, 75-37,170 and 75-31,171";

And your committee on conference recommends the adoption of this report.

Conferees on part of House

Conferees on part of Senate