

SENATE BILL No. 546

By Committee on Federal and State Affairs

2-26

10 AN ACT concerning insurance; relating to the regulation of transfer and
11 novation of insurance contracts; relating to group term life insurance;
12 amending K.S.A. 40-433 and repealing the existing section.
13

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

15 New Section 1. (a) This act applies to any insurer authorized in this
16 state which either assumes or transfers the obligations or risks, or both,
17 on contracts of insurance pursuant to an assumption reinsurance
18 agreement.

19 (b) This act does not apply to: (1) Any reinsurance agreement or
20 transaction in which the ceding insurer continues to remain directly liable
21 for its insurance obligations or risks, or both, under the contracts of in-
22 surance subject to the reinsurance agreement;

23 (2) the substitution of one insurer for another upon the expiration of
24 insurance coverage pursuant to statutory or contractual requirements and
25 the issuance of a new contract of insurance by another insurer;

26 (3) the transfer of contracts of insurance pursuant to mergers or con-
27 solidations of two or more insurers to the extent that those transactions
28 are regulated by statute;

29 (4) any insurer subject to a judicial order of liquidation or
30 rehabilitation;

31 (5) any reinsurance agreement or transaction to which a state insur-
32 ance guaranty association is a party, provided that policyholders do not
33 lose any rights or claims afforded under their original policies pursuant
34 to K.S.A. 40-2901 et seq., and amendments thereto, or K.S.A. 40-3001 et
35 seq., and amendments thereto; or

36 (6) the transfer of liabilities from one insurer to another under a sin-
37 gle group policy upon the request of the group policyholder.

38 New Sec. 2. For the purposes of this act:

39 (a) "Assuming insurer" means the insurer that acquires an insurance
40 obligation or risk, or both, from the transferring insurer pursuant to an
41 assumption reinsurance agreement.

42 (b) "Assumption reinsurance agreement" means any contract that
43 both:

1 (1) Transfers insurance obligations or risks, or both, of existing or in-
2 force contracts of insurance from a transferring insurer to an assuming
3 insurer; and

4 (2) is intended to effect a novation of the transferred contract of in-
5 surance with the result that the assuming insurer becomes directly liable
6 to the policyholders of the transferring insurer and the transferring in-
7 surer's insurance obligations or risks, or both, under the contracts are
8 extinguished.

9 (c) "Commissioner" ~~shall mean~~ **means** the commissioner of insur-
10 ance as defined by K.S.A. 40-102 and amendments thereto, unless the
11 context requires otherwise.

12 (d) "Contract of insurance" means any written agreement between
13 an insurer and policyholder pursuant to which the insurer, in exchange
14 for premium or other consideration, agrees to assume an obligation or
15 risk, or both, of the policyholder or to make payments on behalf of, or
16 to, the policyholder or its beneficiaries. Contract of insurance includes all
17 property, casualty, life, health, accident, surety, title and annuity business
18 authorized to be written pursuant to the insurance laws of this state.

19 (e) "Home service business" means insurance business on which pre-
20 miums are collected on a weekly or monthly basis by an agent of the
21 insurer.

22 (f) "Notice of transfer" means the written notice to policyholders re-
23 quired by section 3 and amendments thereto.

24 (g) "Policyholder" means any individual or entity which has the right
25 to terminate or otherwise alter the terms of a contract of insurance.

26 ***Policyholder includes any certificateholder whose certificate is***
27 ***in force on the proposed effective date of the assumption, if the***
28 ***certificateholder has the right to keep the certificate in force with-***
29 ***out change in benefit following termination of the group policy.***

30 ***The right to keep the certificate in force shall not include the right***
31 ***to elect individual coverage under the consolidated omnibus budget***
32 ***reconciliation act ("COBRA") section 601 et seq., of the employee***
33 ***retirement income security act of 1974, as amended, 29 U.S.C. 1161***
34 ***et seq.***

35 (h) "Transferring insurer" means the insurer which transfers an in-
36 surance obligation or risk, or both, to an assuming insurer pursuant to an
37 assumption reinsurance agreement.

38 New Sec. 3. (a) The transferring insurer shall provide or cause to be
39 provided to each policyholder a notice of transfer by first-class mail, ad-
40 dressed to the policyholder's last known address or to the address to which
41 premium notices or other policy documents are sent or, with respect to
42 home service business, by personal delivery with acknowledged receipt.
43 A notice of transfer shall also be sent to the transferring insurer's agents

- 1 or brokers of record on the affected policies.
- 2 (b) The notice of transfer shall state or provide:
- 3 (1) The date the transfer and novation of the policyholder's contract
- 4 of insurance is proposed to take place;
- 5 (2) the name, address and telephone number of the assuming and
- 6 transferring insurer;
- 7 (3) that the policyholder has the right to either consent to or reject
- 8 the transfer and novation;
- 9 (4) the procedures and time limit for consenting to or rejecting the
- 10 transfer and novation;
- 11 (5) a summary of any effect that consenting to or rejecting the trans-
- 12 fer and novation will have on the policyholder's rights;
- 13 (6) a statement that the assuming insurer is licensed to write the type
- 14 of business being assumed in the state where the policyholder resides, or
- 15 is otherwise authorized, as provided herein, to assume such business;
- 16 (7) the name and address of the person at the transferring insurer to
- 17 whom the policyholder should send its written statement of acceptance
- 18 or rejection of the transfer and novation;
- 19 (8) the address and phone number of the insurance department
- 20 where the policyholder resides so that the policyholder may write or call
- 21 the insurance department for further information regarding the financial
- 22 condition of the assuming insurer;
- 23 (9) the following financial data for both companies:
- 24 (A) Ratings for the last five years if available or for such lesser period
- 25 as is available from two nationally recognized insurance rating services
- 26 acceptable to the commissioner including the rating service's explanation
- 27 of the meaning of the ratings. If ratings are unavailable for any year of
- 28 the five-year period, this shall also be disclosed;
- 29 (B) a balance sheet as of December 31 for the previous three years,
- 30 if available, or for such lesser period as is available and as of the date of
- 31 the most recent quarterly statement;
- 32 (C) a copy of the management's discussion and analysis that was filed
- 33 as a supplement to the previous year's annual statement; and
- 34 (D) an explanation of the reason for the transfer.
- 35 (c) Notice in a form identical or substantially similar to the form set
- 36 forth in this act shall be deemed to comply with the requirements of
- 37 subsection (b) of section 3 and amendments thereto.
- 38 (d) The notice of transfer shall include a pre-addressed, postage-paid
- 39 response card which a policyholder may return as such policyholder's
- 40 written statement of acceptance or rejection of the transfer and novation.
- 41 (e) The notice of transfer shall be filed as part of the prior approval
- 42 requirement.
- 43 New Sec. 4. (a) Prior approval by the commissioner is required for

1 any transaction where an insurer domiciled in this state assumes or trans-
2 fers obligations or risks, or both, on contracts of insurance under an as-
3 sumption reinsurance agreement. No insurer licensed in this state shall
4 transfer obligations and/or risks on contracts of insurance issued to or
5 owned by residents of this state to any insurer that is not licensed in this
6 state. An insurer domiciled in this state shall not assume obligations or
7 risks, or both, on contracts of insurance issued to or owned by policyhol-
8 ders residing in any other state unless it is licensed in the other state, or
9 the insurance regulatory official of that state has approved the
10 assumption.

11 (b) Any licensed foreign insurer that enters into an assumption re-
12 insurance agreement which transfers the obligations or risks, or both, on
13 contracts of insurance issued to or owned by residents of this state, shall
14 file or cause to be filed with the commissioner of insurance of this state
15 the assumption certificate, a copy of the notice of transfer and an affidavit
16 that the transaction is subject to substantially similar requirements in the
17 state of domicile of both the transferring and assuming insurer. If no such
18 requirements exist in the domicile of either the transferring or assuming
19 insurers, then the requirements of this act shall apply.

20 (c) Any licensed foreign insurer that enters into an assumption rein-
21 surance agreement which transfers the obligations or risks, or both, on
22 contracts of insurance issued to or owned by residents of this state, shall
23 obtain prior approval of the commissioner of insurance of this state and
24 be subject to all other requirements of this act with respect to residents
25 of this state, unless the transferring and assuming insurers are subject to
26 assumption reinsurance requirements adopted by statute or regulation in
27 the jurisdiction of their domicile which are substantially similar to those
28 contained herein.

29 (d) The following factors, along with such other factors as the com-
30 missioner deems appropriate under the circumstances, shall be consid-
31 ered by the commissioner in reviewing a request for approval:

32 (1) The financial condition of the transferring and assuming insurers
33 and the effect the transaction will have on the financial condition of each
34 company;

35 (2) the competence, experience and integrity of those persons who
36 control the operation of the assuming insurer;

37 (3) the plans or proposals the assuming party has with respect to the
38 administration of the policies subject to the proposed transfer;

39 (4) whether the transfer is fair and reasonable to the policyholders of
40 both companies; and

41 (5) whether the notice of transfer to be provided by the insurer is
42 fair, adequate and not misleading.

43 New Sec. 5. (a) Policyholders shall have the right to reject the trans-

1 fer and novation of their contracts of insurance. Policyholders electing to
2 reject the assumption transaction shall return to the transferring insurer
3 the pre-addressed, postage-paid response card or other written notice and
4 indicate thereon that the assumption is rejected (collectively referred to
5 as the “response card”).

6 (b) Payment of any premium to the assuming company during the
7 24-month period after notice is received shall be deemed to indicate the
8 policyholder’s acceptance of the transfer to the assuming insurer and a
9 novation shall be deemed to have been effected, provided that the pre-
10 mium notice clearly states that payment of the premium to the assuming
11 insurer shall constitute acceptance of the transfer. However, the premium
12 notice shall also provide a method for the policyholder to pay the pre-
13 mium while reserving the right to reject the transfer. With respect to any
14 home service business or any other business not using premium notices,
15 the disclosures and procedural requirements of this subsection are to be
16 set forth in the notice of transfer required by section 3, and amendments
17 thereto, and in the assumption certificate.

18 (c) After no fewer than 24 months from the mailing of the initial
19 notice of transfer required under section 3, and amendments thereto, if
20 positive consent to, or rejection of, the transfer and assumption has not
21 been received or consent has not been deemed to have occurred under
22 subsection (b) of this section, the transferring company shall send to the
23 policyholder a second and final notice of transfer as specified in section
24 3 and amendments thereto. If the policyholder does not accept or reject
25 the transfer during the one-month period immediately following the date
26 on which the transferring insurer mails the second and final notice of
27 transfer, the policyholder’s consent will be deemed to have occurred and
28 novation of the contract will be effected. With respect to the home service
29 business, or any other business not using premium notices, the 24-month
30 and one-month periods shall be measured from the date of delivery of
31 the notice of transfer pursuant to subsection (a) of section 3 and amend-
32 ments thereto.

33 (d) The transferring insurer will be deemed to have received the re-
34 sponse card on the date it is postmarked. A policyholder may also send
35 its response card by facsimile or other electronic transmission or by reg-
36 istered mail, express delivery or courier service, in which case the re-
37 sponse card shall be deemed to have been received by the assuming
38 insurer on the date of actual receipt by the transferring insurer.

39 New Sec. 6. If a policyholder consents to the transfer pursuant to
40 section 5, and amendments thereto, or if the transfer is effected under
41 section 7, and amendments thereto, there shall be a novation of the con-
42 tract of insurance subject to the assumption reinsurance agreement with
43 the result that the transferring insurer shall thereby be relieved of all

1 insurance obligations or risks, or both, transferred under the assumption
2 reinsurance agreement and the assuming insurer shall become directly
3 and solely liable to the policyholder for those insurance obligations or
4 risks, or both.

5 New Sec. 7. If an insurer domiciled in this state or in a jurisdiction
6 having a substantially similar law is deemed by the domiciliary commis-
7 sioner to be in hazardous financial condition or an administrative pro-
8 ceeding has been instituted against it for the purpose of reorganizing or
9 conserving the insurer, and the transfer of the contracts of insurance is
10 in the best interest of the policyholders, as determined by the domiciliary
11 commissioner, a transfer and novation may be effected notwithstanding
12 the provisions of this act. This may include a form of implied consent and
13 adequate notification to the policyholder of the circumstances requiring
14 the transfer as approved by the commissioner.

15 New Sec. 8. Residents of this state whose policies were previously
16 subject to the protections set forth in K.S.A. 40-2901 et seq., and amend-
17 ments thereto, or K.S.A. 40-3001 et seq., and amendments thereto, and
18 whose policies are transferred to an unlicensed insurer pursuant to this
19 section are entitled to continued protection thereunder.

20 New Sec. 9. A notice of transfer and form for response by an insured
21 to such a notice shall be deemed to be sufficient for the purposes of this
22 act if it substantially conforms with the following form:

23 NOTICE OF TRANSFER

24 IMPORTANT: THIS NOTICE AFFECTS YOUR CONTRACT
25 RIGHTS. PLEASE READ IT CAREFULLY.

26 Transfer of Policy

27 The [ABC Insurance Company] has agreed to replace us as your insurer
28 under[insert policy/certificate name and number] effective [insert date].
29 The[ABC Insurance Company's] principal place of business is [insert ad-
30 dress] and certain financial information concerning both companies is
31 attached, including (1) ratings for the last five years, if available, or for
32 such lesser period as is available from two nationally recognized insurance
33 rating services; (2) balance sheets for the previous three years, if available,
34 or for such lesser period as is available and as of the date of the most
35 recent quarterly statement; (3) a copy of the Management's Discussion
36 and Analysis that was filed as a supplement to the previous year's annual
37 statement; and (4) an explanation of the reason for the transfer. You may
38 obtain additional information concerning[ABC Insurance Company] from
39 reference materials in your local library or by contacting your Insurance
40 Commissioner at [insert address and phone number].

41 The [ABC Insurance Company] is licensed to write this coverage in
42 your state. The Commissioner of Insurance in your state has reviewed
43 the potential effect of the proposed transaction, and has approved the

1 transaction.

2 Your Rights

3 You may choose to consent to or reject the transfer of your policy to
 4 [ABC Insurance Company]. If you want your policy transferred, you may
 5 notify us in writing by signing and returning the enclosed pre-addressed,
 6 postage-paid card or by writing to us at:

7 [Insert name, address and facsimile number of contact person.]

8 Payment of your premium to the assuming company will also constitute
 9 acceptance of the transaction. However, a method will be provided to
 10 allow you to pay the premium while reserving the right to reject the
 11 transfer.

12 If you reject the transfer, you may keep your policy with us or exercise
 13 any option under your policy. If we do not receive a written rejection you
 14 will, as a matter of law, have consented to the transfer. However, before
 15 this consent is final you will be provided a second notice of the transfer
 16 24 months from now. After the second notice is provided, you will have
 17 one month to reply. If you have paid your premium to the [ABC Insur-
 18 ance Company], without reserving your right to reject the transfer, you
 19 will not receive a second notice.

20 Effect of Transfer

21 If you accept this transfer, [ABC Insurance Company] will be your
 22 insurer. It will have direct responsibility to you for the payment of all
 23 claims, benefits and for all other policy obligations. We will no longer
 24 have any obligations to you.

25 If you accept this transfer, you should make all premium payments and
 26 claims submissions to [ABC Insurance Company] and direct all questions
 27 to [ABC Insurance Company].

28 If you have any further questions about this agreement, you may con-
 29 tact [XYZ Insurance] or [ABC Insurance].

30 Sincerely,

31		_____
32	[XYZ Insurance Company	[ABC Insurance Company
33	111 No Street	222 No Street
34	Smithville, USA	Jonesville, USA
35	555/555-5555]	333/333-3333]

36 For your convenience, we have enclosed a pre-addressed postage-paid
 37 response card. Please take time now to read the enclosed notice and
 38 complete and return the response card to us.

39 [Notice Date]

40 RESPONSE CARD

41 _____ Yes, I accept the transfer of my policy from [name of
 42 transferring company] to [name of assuming
 43 company].

1 a public body may provide that the term “employees” shall include
2 elected or appointed officials. (b) The premium for the policy shall be
3 paid by the policyholder, either wholly from the employer’s funds or funds
4 contributed by the employer, or partly from such funds and partly from
5 funds contributed by the insured employees. No policy shall be issued on
6 which the entire premium is to be derived from funds contributed by the
7 insured employees. A policy on which part of the premium is to be derived
8 from funds contributed by the insured employees may be placed in force
9 only if at least 75% of the then eligible employees, excluding any as to
10 whom evidence of individual insurability is not satisfactory to the insurer,
11 elect to make the required contribution. A policy on which no part of the
12 premium is to be derived from funds contributed by the insured em-
13 ployees shall insure all eligible employees, or all except any as to whom
14 evidence of individual insurability is not satisfactory to the insurer. (c)
15 The policy shall cover at least three employees at date of issue. (d) The
16 amounts of insurance under the policy shall be based upon some plan,
17 precluding individual selection either by the employees or by the em-
18 ployer or trustees.

19 (2) A policy issued to a creditor, who shall be deemed the policyhol-
20 der, to insure debtors of the creditor, subject to the following require-
21 ments: (a) The debtors eligible for insurance under the policy shall be all
22 of the debtors of the creditor whose indebtedness is repayable in install-
23 ments, or all of any class or classes thereof determined by conditions
24 pertaining to the indebtedness or to the purchase giving rise to the in-
25 debtedness. (b) The premium for the policy shall be paid by the policy-
26 holder, either from the creditor’s funds or from charges collected from
27 the insured debtors, or from both. A policy on which part or all of the
28 premium is to be derived from the collection from the insured debtors
29 of identifiable charges not required of uninsured debtors shall not in-
30 clude, in the class or classes of debtors eligible for insurance, debtors
31 under obligations outstanding at its date of issue without evidence of
32 individual insurability unless at least 75% of the then eligible debtors elect
33 to pay the required charges. A policy on which no part of the premium
34 is to be derived from the collection of such identifiable charges shall
35 insure all eligible debtors, or all except any as to whom evidence of in-
36 dividual insurability is not satisfactory to the insurer. (c) The policy may
37 be issued only if the group of eligible debtors is then receiving new en-
38 trants at the rate of at least 100 persons yearly, or may reasonably be
39 expected to receive at least 100 new entrants during the first policy year,
40 and only if the policy reserves to the insurer the right to require evidence
41 of individual insurability if less than 75% of the new entrants become
42 insured. (d) The amount of insurance on the life of any debtor shall at
43 no time, under one or more policies, exceed the amount owed by that

1 debtor which is repayable in installments to the creditor, or \$100,000,
2 whichever is less. (e) The insurance shall be payable to the policyholder.
3 Such payment shall reduce or extinguish the unpaid indebtedness of the
4 debtor to the extent of such payment.

5 (3) A policy issued to a labor union, which shall be deemed the poli-
6 cyholder, to insure members of such union for the benefit of persons
7 other than the union or any of its officials, representatives or agents,
8 subject to the following requirements: (a) The members eligible for in-
9 surance under the policy shall be all of the members of the union, or all
10 of any class or classes thereof determined by conditions pertaining to their
11 employment, or to membership in the union, or both.

12 (b) The premium for the policy shall be paid by the policyholder,
13 either wholly from the union's funds, or partly from such funds and partly
14 from funds contributed by the insured members specifically for their
15 insurance. No policy shall be issued on which the entire premium is to
16 be derived from funds contributed by the insured members specifically
17 for their insurance. A policy on which part of the premium is to be derived
18 from funds contributed by the insured members specifically for their
19 insurance may be placed in force only if at least 75% of the then eligible
20 members excluding any as to whom evidence of individual insurability is
21 not satisfactory to the insurer, elect to make the required contributions.
22 A policy on which no part of the premium is to be derived from funds
23 contributed by the insured members specifically for their insurance shall
24 insure all eligible members, or all except any as to whom evidence of
25 individual insurability is not satisfactory to the insurer.

26 (c) The policy shall cover at least 25 members at date of issue.

27 (d) The amounts of insurance under the policy shall be based upon
28 some plan precluding individual selection either by the members or by
29 the union.

30 (4) A policy issued to the trustees of a fund established in this state
31 by two or more employers if a majority of the employees to be insured
32 of each employer are located within the state, or to the trustees of a fund
33 established by one or more labor unions, or by one or more employers
34 and one or more labor unions, which trustees shall be deemed the poli-
35 cyholder, to insure employees of the employers or members of the unions
36 for the benefit of persons other than the employers or the unions, subject
37 to the following requirements: (a) The persons eligible for insurance shall
38 be all of the employees of the employers or all of the members of the
39 unions, or all of any class or classes thereof determined by conditions
40 pertaining to their employment, or to membership in the unions, or to
41 both. The policy may provide that the term "employees" shall include
42 retired employees and the individual proprietor or partners if any em-
43 ployer is an individual proprietor or a partnership. No director of a cor-

1 porate employer shall be eligible for insurance under the policy unless
2 such person is otherwise eligible as a bona fide employee of the corpo-
3 ration by performing services other than the usual duties of a director.
4 No individual proprietor or partner shall be eligible for insurance under
5 the policy unless the proprietor or partner is actively engaged in and
6 devotes a substantial part of their time to the conduct of the business of
7 the proprietor or partnership. The policy may provide that the term “em-
8 ployees” shall include the trustees or their employees, or both, if their
9 duties are principally connected with such trusteeship. (b) The premium
10 for the policy shall be paid by the trustees either wholly from funds con-
11 tributed by the employer or employers of the insured persons, or by the
12 union or unions, or by both, or partly from such funds and partly from
13 funds contributed by the insured employees. No policy shall be issued on
14 which the entire premium is to be derived from funds contributed by the
15 insured persons. The policy shall insure all eligible persons, or all except
16 any as to whom evidence of individual insurability is not satisfactory to
17 the insurer. (c) The policy shall cover at date of issue at least 100 persons
18 and not less than an average of five persons per employer unit. (d) The
19 amounts of insurance under the policy shall be based upon some plan
20 precluding individual selection either by the insured persons or by the
21 policyholder, employers, or union.

22 *(e) The requirements of paragraphs (b) and (d) of this subsection*
23 *governing employer contributions and amounts of insurance shall not ap-*
24 *ply to a voluntary term life insurance policy issued on a group basis.*

25 (5) A policy issued to an association which has been organized and is
26 maintained for purposes other than that of obtaining insurance, insuring
27 at least 25 members, employees, or employees of members of the asso-
28 ciation for the benefit of persons other than the association or its officers.
29 The term “employees” as used herein shall be deemed to include retired
30 employees. The premiums for the policies shall be paid by the policy-
31 holder, either wholly from association funds, or funds contributed by the
32 members of such association or by employees of such members or any
33 combination thereof. The amounts of insurance under the policy shall be
34 based upon some plan precluding individual selection either by the in-
35 sured person or by the association or by the member.

36 (6) Any policy issued pursuant to this section may be extended to
37 insure the employees against loss due to the death of their spouses, their
38 children, their grandchildren, their spouse’s children, their spouse’s
39 grandchildren, their parents, their spouse’s parents, or any class or classes
40 thereof, subject to the following requirements:

41 (a) The premium for the insurance shall be paid by the policyholder,
42 either from the employer’s funds or from funds contributed by the in-
43 sured employees, or from both. If any part of the premium is to be derived

1 from funds contributed by the insured employees, the insurance with
2 respect to spouses, their children, their grandchildren, their spouse's chil-
3 dren, their spouse's grandchildren, their parents and their spouse's par-
4 ents may be placed in force only if at least 75% of the then eligible
5 employees, excluding any as to whose family members' evidence of in-
6 surability is not satisfactory to the insurer, elect to make the required
7 contribution. If no part of the premium is to be derived from funds con-
8 tributed by the employees, all eligible employees, excluding any as to
9 whose family members' evidence of insurability is not satisfactory to the
10 insurer, shall be insured with respect to their spouses, their children, their
11 grandchildren, their spouse's children, their spouse's grandchildren, their
12 parents, their spouse's parents.

13 (b) The amounts of insurance shall be based upon some plan pre-
14 cluding individual selection either by the employees or by the policyhol-
15 der, or employer and shall not exceed with respect to any spouse, child
16 or parent 50% of the insurance on the life of such insured employee.

17 (c) Upon termination of the insurance with respect to the spouse of
18 an employee by reason of the employee's termination of employment or
19 death, the spouse insured pursuant to this section shall have the same
20 conversion rights as to the insurance on such spouse's life as is provided
21 for the employee under K.S.A. 40-434 and amendments thereto.

22 (d) Notwithstanding the provisions of K.S.A. 40-434 and amend-
23 ments thereto only one certificate need be issued for delivery to an in-
24 sured person if a statement concerning any dependent's coverage is in-
25 cluded in such certificate.

26 (e) *The requirements of paragraphs (a) and (b) of this subsection gov-*
27 *erning participation, contribution by an employer and amounts of insur-*
28 *ance for dependents shall not apply to a voluntary term life insurance*
29 *policy issued on a group basis.*

30 (7) A policy may be issued to any other group which the commis-
31 sioner of insurance finds is the proper subject of a group life insurance
32 policy or contract. Any such group shall be subject to any appropriate
33 conditions or provisions relating thereto which the commissioner may
34 establish or require, consistent with the provisions of this act, and such
35 conditions and provisions shall be included in the policy or contract.

36 Sec. 12. K.S.A. 40-433 is hereby repealed.

37 Sec. 13. This act shall take effect and be in force from and after its
38 publication in the statute book.