

SENATE BILL No. 464

AN ACT concerning insurance; relating to waiving certain requirements regarding reinsurance agreements when an insurance company ceases to do business; amending K.S.A. 2007 Supp. 40-5201 and 40-5210 and repealing the existing sections.

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

Section 1. K.S.A. 2007 Supp. 40-5201 is hereby amended to read as follows: 40-5201. (a) (1) This act applies to any insurer authorized in this state which either assumes or transfers the obligations or risks, or both, on contracts of insurance pursuant to an assumption reinsurance agreement.

(2) *At the commissioner's discretion, the commissioner may waive any requirement of this act when the transfer of obligations or risks, or both, results from the discontinuance of business pursuant to K.S.A. 40-248, and amendments thereto, by the transferring insurer.*

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

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

(3) the transfer of contracts of insurance pursuant to mergers or consolidations of two or more insurers to the extent that those transactions are regulated by statute;

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

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

(6) the transfer of liabilities from one insurer to another under a single group policy upon the request of the group policyholder.

~~(c) This section shall take effect on and after July 1, 2004.~~

Sec. 2. K.S.A. 2007 Supp. 40-5210 is hereby amended to read as follows: 40-5210. (a) K.S.A. 2007 Supp. 40-5201 through 40-5210, and amendments thereto, shall be known and may be cited as the assumption reinsurance agreement act.

(b) This act shall be administered by the commissioner.

~~(c) This section shall take effect on and after July 1, 2004. The commissioner is hereby authorized to adopt such rules and regulations as may be necessary to carry out the provisions of this act.~~

Sec. 3. K.S.A. 2007 Supp. 40-5201 and 40-5210 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

President of the Senate.

Secretary of the Senate.

Passed the HOUSE _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.