

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2090** submits the following report:

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

On page 1, following line 10, by inserting:

"Section 1. K.S.A. 40-246c is hereby amended to read as follows: 40-246c. (a) (1) On March 1 of each year, each licensed agent shall collect and pay to the commissioner a tax of 6% on the total gross premiums charged, less any return premiums, for the preceding calendar year for surplus lines insurance transacted by the licensee pursuant to the license for insureds whose home state is this state.

(2) On March 1 of each year, each licensed agent shall collect and pay to the commissioner a tax of 3% on the total gross premiums charged, less any returned premiums, for the preceding calendar year for surplus lines insurance transacted by the licensee for insureds whose home state is this state. The provisions of this paragraph shall commence with the taxable year beginning January 1, 2024.

(b) The tax on any portion of the premium unearned at termination of insurance, if any, having been credited by the state to the licensee shall be returned to the policyholder directly by the surplus lines licensee or through the producing broker. The surplus lines licensee is prohibited from rebating any part of the tax for any reason.

(c) The individual responsible for filing the statement shall be the agent who signs the policy or the agent of record with the company. The commissioner of insurance may assess a penalty up to double the amount of tax prescribed in subsection (a) from any licensee or other individual responsible for filing the statement as described in this subsection who fails, refuses or

neglects to transmit the required affidavit or statement or fails to pay the tax imposed by this section to the commissioner within the period specified.

Sec. 2. K.S.A. 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 a form~~ on forms prescribed by the commissioner ~~and shall be accompanied by~~ 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 ~~and~~, paying an annual continuation fee of \$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 ~~the effective date of this act~~ January 1, 1988, or within five years of the date of application, whichever is later.";

On page 5, in line 39, after "K.S.A." by inserting "40-246c, 40-4203, 40-4209,"; in line 41, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "to"; in line 2, by striking all before the

second semicolon and inserting "fees, assessments and taxes imposed thereon"; in line 7, after the semicolon by inserting "discontinuing annual registration fees for prepaid service plans; modifying the requirement to report individuals who solicit memberships on behalf of such plans from semi-annually to annually and upon application for registration; decreasing the premium tax rate imposed on surplus lines insurance;"; in line 8, before "40-4905" by inserting "40-246c, 40-4209,"; also in line 8, after "sections" by inserting "; also repealing K.S.A. 40-4203";

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

 Conferees on part of Senate

 Conferees on part of House