

As Amended by House Committee

HOUSE BILL No. 2050

By Committee on Insurance

Requested by Eric Turek, Kansas Insurance Department

1-21

1 AN ACT concerning insurance; relating to the powers, duties and  
 2 responsibilities of the commissioner of insurance; authorizing the  
 3 commissioner of insurance to set the amount of certain fees; requiring  
 4 the publication of certain fees in the Kansas register; amending K.S.A.  
 5 40-205a, 40-218, 40-252, 40-2,133, 40-504, 40-956, 40-22a04, 40-  
 6 2604, 40-2702, 40-3213, 40-3304, 40-3812, 40-3813, 40-3814, 40-  
 7 4103, 40-4116, 40-4323, 40-4334, 40-4503, 40-5003 and 40-5509 and  
 8 K.S.A. 2024 Supp. 40-3823, 40-3824, 40-4209, 40-4302 and 40-4903  
 9 and repealing the existing sections; also repealing K.S.A. 40-3217.  
 10

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

12 Section 1. K.S.A. 40-205a is hereby amended to read as follows: 40-  
 13 205a. (a) No person shall ~~do~~ *perform* any act toward selling the stock of  
 14 any insurance company or health maintenance organization unless such  
 15 person first obtains from the commissioner of insurance written authority  
 16 to engage in the business of selling the stock of such company. Such  
 17 applicant shall first be appointed in writing by the president or secretary of  
 18 the company for which such applicant intends to sell stock. The applicant  
 19 for such license shall file with the commissioner of insurance the  
 20 applicant's written application for a license authorizing the applicant to  
 21 engage in the business of selling such stock. The applicant shall make  
 22 sworn answers to such interrogatories as the commissioner of insurance  
 23 shall require. The fee charged for the issuance of such license shall ~~be~~ *not*  
 24 exceed \$100 and shall be paid to the commissioner of insurance by the  
 25 company requesting such license.

26 (b) *Not later than December 1 of each year, the commissioner shall*  
 27 *set and cause to be published in the Kansas register the fee required*  
 28 *pursuant to this section for the next calendar year.*

29 Sec. 2. K.S.A. 40-218 is hereby amended to read as follows: 40-218.  
 30 (d) Every insurance company, or fraternal benefit society, on applying for  
 31 authority to transact business in this state, and as a condition precedent to  
 32 obtaining such authority, shall file in the insurance department its  
 33 *irrevocable* written consent; ~~irrevocable~~; that any action or garnishment  
 34 proceeding may be commenced against such company or fraternal benefit  
 35 society in the proper court of any county in this state in which the cause of

Proposed amendment to HB 2050  
 For Senate Committee on Financial Institutions and Insurance  
 Prepared by Eileen Ma  
 Office of Revisor of Statutes

1 *cause to be published in the Kansas register the fees required pursuant to*  
 2 *this section for the next calendar year.*  
 3 Every insurance company or fraternal benefit society organized under  
 4 the laws of this state or doing business in this state shall pay to the  
 5 commissioner of insurance fees and taxes *not to exceed the amounts*  
 6 *specified in the following schedule:*

A

*Insurance companies organized under the laws of this state:*

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

10 Filing application for sale of stock or certificates of indebtedness....\$25

11 Admisson fees:

12 Examination of charter and other documents.....500

13 Filing annual statement.....100

14 Certificate of authority.....10

15 Annual fees:

16 Filing annual statement.....100

17 Continuation of certificate of authority.....10

18 2. Mutual life, accident and health associations:

19 Admisson fees:

20 Examination of charter and other documents.....\$500

21 Filing annual statement.....100

22 Certificate of authority.....10

23 Annual fees:

24 Filing annual statement.....100

25 Continuation of certificate of authority.....10

26 3. Mutual fire, hail, casualty and multiple line insurers and reciprocal or

27 interinsurance exchanges:

28 Admisson fees:

29 Examination of charter and other documents.....\$500

30 Filing annual statement.....100

31 Certificate of authority.....10

32 Annual fees:

33 Filing annual statement.....100

34 Continuation of certificate of authority.....10

35 In addition to the above fees and as a condition precedent to the

36 continuation of the certificate of authority provided in this code, all such

37 companies shall pay a fee of \$2 for each agent newly certified by the

38 ~~company and until such time that either the company or the agent~~

39 ~~terminates such appointment. Companies shall also pay a tax annually~~

40 ~~upon all premiums received on risk located in this state at the rate of 1%~~

41 ~~for tax year 1997, and 2% for all tax years thereafter per annum less (1) for~~

42 ~~tax years prior to 1984, any taxes paid on business in this state pursuant to~~

one-time fee of \$2 for each newly certified agent. Such fee shall be non-recurrent and constitute the only appointment fee charged for the duration of such newly certified agent's employment with the appointing company.

1 corporation or association shall pay annually to the commissioner of  
 2 insurance a tax in an amount equal to ~~1%~~ ~~for tax year 1997~~ and 2% ~~for all~~  
 3 ~~tax years thereafter~~ per annum of the total of all premiums, subscription  
 4 charges, or any other term ~~which~~ that may be used to describe the charges  
 5 made by such corporation or association to subscribers for hospital,  
 6 medical or other health services or indemnity received during the  
 7 preceding year. In such computations all such corporations or associations  
 8 shall be entitled to deduct any premiums or subscription charges returned  
 9 on account of cancellations and dividends returned to members or  
 10 subscribers.

D

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

- 13
- 14 1. Capital stock insurance companies and mutual legal reserve life
- 15 insurance companies:
- 16 Filing application for sale of stock or certificates of indebtedness.....\$25
- 17 Admission fees:
- 18 Examination of charter and other documents..... 500
- 19 Filing annual statement..... 100
- 20 Certificate of authority..... 10
- 21 Annual fees:
- 22 Filing annual statement.....100
- 23 Continuation of certificate of authority.....10
- 24 In addition to the above fees, all such companies shall pay ~~\$5 for each~~  
 25 ~~agent newly certified by the company~~, except as otherwise provided by  
 26 law.

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

32 In the computation of the gross premiums all such companies shall be  
 33 entitled to deduct any premiums returned on account of cancellations,  
 34 including funds accepted before January 1, 1997, and declared and taxed  
 35 as annuity premiums—~~which~~ that, on or after January 1, 1997, are  
 36 withdrawn before application to the purchase of annuities, dividends  
 37 returned to policyholders and all premiums received for reinsurance from  
 38 any other company authorized to do business in this state and premiums  
 39 received in connection with the funding of a pension, deferred  
 40 compensation, annuity or profit-sharing plan qualified or exempt under  
 41 sections 401, 403, 404, 408, 457 or 501 of the United States internal  
 42 revenue code of 1986. Funds received by life insurers for the purchase of  
 43 annuity contracts and funds applied by life insurers to the purchase of

a one-time fee of \$5 for each newly certified agent. Such  
 fee shall be non-recurrent and constitute the only  
 appointment fee charged for the duration of such newly  
 certified agent's employment with the appointing  
 company,

1 annuities shall not be deemed taxable premiums or be subject to tax under  
2 this section for tax years commencing on or after January 1, 1997.

3 2. Mutual life, accident and health associations:

4 Admission fees:

5 Examination of charter and other documents.....\$500

6 Filing annual statement.....100

7 Certificate of authority.....10

8 Annual fees:

9 Filing annual statement.....100

10 Continuation of certificate of authority.....10

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

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

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

31 Admission fees:

32 Examination of charter and other documents and issuance of certificate  
33 of authority.....\$500

34 Filing annual statement.....100

35 Certificate of authority.....10

36 Annual fees:

37 Filing annual statement.....100

38 Continuation of certificate of authority.....10

39 In addition to the above fees, every such company or association  
40 organized under the laws of any other state of the United States shall pay a  
41 ~~fee of \$5 for each agent newly certified by the company and~~ shall also pay  
42 a tax annually upon all premiums received at the rate of 2% per annum.  
43 For tax years 1998 and thereafter, the annual tax shall be reduced by the

a one-time fee of \$5 for each newly certified agent. Such  
fee shall be non-recurrent and constitute the only  
appointment fee charged for the duration of such newly  
certified agents employment with the appointing  
company. Companies shall

one-time fee of \$5 for each newly certified agent. Such  
fee shall be non-recurrent and constitute the only  
appointment fee charged for the duration of such newly  
certified agents employment with the appointing  
company. Companies