

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2050** 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 11, by inserting:

"New Section 1. (a) The Kansas insurance department, as established by K.S.A. 42-102, and amendments thereto, is hereby renamed the Kansas department of insurance. All powers, duties and functions of the Kansas insurance department are hereby transferred and imposed upon the Kansas department of insurance.

(b) Whenever the Kansas insurance department, or words of like effect, are referred to or designated by a statute, contract or other document, and such reference or designation is in regard to any function, power or duty of the Kansas insurance department, such reference or designation shall be deemed to apply to the Kansas department of insurance.

(c) All rules and regulations, order and directives of the commissioner of insurance of the Kansas insurance department that are in effect on July 1, 2025, shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the commissioner of insurance of the Kansas department of insurance until amended, revoked or nullified pursuant to law.

New Sec. 2. (a) (1) The office of the securities commissioner of Kansas, as established by K.S.A. 75-6301, and amendments thereto, is hereby renamed the department of insurance, securities division. All powers, duties and functions of the office of the securities commissioner of Kansas are hereby transferred and imposed upon the department of insurance, securities division.

(2) The securities commissioner is hereby renamed the department of insurance assistant commissioner, securities division. All powers, duties and functions of the securities commissioner are hereby transferred and imposed upon the department of insurance assistant commissioner, securities division.

(b) (1) Whenever the office of the securities commissioner of Kansas, or words of like effect, are referred to or designated by a statute, contract or other document, and such reference or designation is in regard to any function, power or duty of the office of the securities commissioner of Kansas, such reference or designation shall be deemed to apply to the department of insurance, securities division.

(2) Whenever the securities commissioner, or words of like effect, are referred to or designated by statute, contract or other document, and such reference or designation is in regard to any function, power or duty of the securities commissioner of Kansas, such reference or designation shall be deemed to apply to the department of insurance assistant commissioner, securities division.

(c) All rules and regulations, orders and directives of the securities commissioner of Kansas that are in effect on July 1, 2025, shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the department of insurance assistant commissioner, securities division until amended, revoked or nullified pursuant to law.

Sec. 3. K.S.A. 8-2405 is hereby amended to read as follows: 8-2405. No dealer's license shall be issued or renewed unless the applicant or holder of the license shall have on file with the division an ~~approved~~ insurance policy, issued by an insurance carrier authorized to transact business within the state of Kansas or issued by an eligible nonadmitted insurer pursuant to K.S.A. 40-246e, and amendments thereto. The term of ~~the such~~ policy shall be continuous and shall remain in full force and effect until canceled under proper notice. All policies ~~must~~ shall be

issued in the name of the holder or applicant for the vehicle dealer's license and shall provide public liability and property damage insurance for the operation of any vehicle by prospective purchasers, owned or being offered for sale by the dealer when being operated by the owner or seller, the seller's agent, servants, employees, prospective customers or other persons. The limits of liability shall correspond to the amount required by law in this state for bodily injury or death of any one person, bodily injury or death in any one accident and property damage. Such insurance, when issued by an authorized insurer, may not be cancelled unless 30 days' notice by the insurance carrier has been given in writing to the director. Upon the effective date of cancellation of any insurance policy required under this section, the license to engage in business as a dealer shall be void.

Sec. 4. K.S.A. 2024 Supp. 40-102 is hereby amended to read as follows: 40-102. There is hereby established ~~a department to be known as the~~ Kansas department of insurance department, and such department shall have a. The chief officer entitled of the department shall be the commissioner of insurance. The commissioner of insurance shall be charged with the administration of all laws relating to insurance, insurance companies and fraternal benefit societies doing business in this state and all other duties that are or may be imposed upon such officer by law.";

On page 2, following line 43, by inserting:

"Sec. 7. K.S.A. 40-246b is hereby amended to read as follows: 40-246b. (a) Upon receipt of a proper application, the commissioner of insurance may issue an excess lines coverage license to any licensed property and casualty agent of this state or any other state. Any agent so licensed may negotiate for insureds whose home state is this state, the types of contracts of fire insurance enumerated in K.S.A. 40-901, and amendments thereto, and the type of casualty insurance contracts enumerated in K.S.A. 40-1102, and amendments thereto, or reinsurance, ~~or~~

to place risks; or to effect insurance or reinsurance for persons or corporations other than such agent; with ~~insurers not authorized to do business in this state~~ nonadmitted insurers eligible pursuant to K.S.A. 40-246e, and amendments thereto. An agent, as defined in K.S.A. 40-4902, and amendments thereto, may place the kind ~~or kinds~~ of business specified in this act for which such agent is licensed pursuant to K.S.A. 40-4903 and ~~subsection (d) of 40-4906, and amendments thereto, with an insurer not authorized to do business in this state~~ eligible nonadmitted insurer by placing such business with a person licensed pursuant to the provisions of this act and may share in the applicable commissions on such business. Before any such license shall be issued, the applicant shall submit proper application on a form prescribed by the commissioner, which application shall be accompanied by a fee of \$50. Such license shall be renewable each year on May 1, upon the payment of a \$50 fee.

(b) The agent so licensed shall on or before March 1 of each year, file with the insurance department of this state, a sworn affidavit or statement to the effect that, after diligent effort, such agent has been unable to secure the amount of insurance required to protect the property, person; or firm described in such agent's affidavit or statement from loss or damage in regularly admitted companies during the preceding year. Mere rate differential shall not be grounds for placing a particular risk ~~in~~ with a nonadmitted ~~carrier~~ insurer when an admitted ~~carrier~~ insurer would accept such risk at a different rate. The licensed excess coverage agent ~~must shall~~, prior to placing insurance with an eligible nonadmitted insurer ~~not authorized to do business in this state~~, obtain the written consent of the prospective named insured and provide such insured the following information in a form promulgated by the commissioner:

(1) A statement that the coverage will be obtained from an ~~insurer not authorized to do business in this state~~ eligible nonadmitted insurer;

(2) a statement that the ~~insurer's name appears on the list of companies maintained by~~

~~the commissioner~~ insurer is eligible pursuant to K.S.A. 40-246e, and amendments thereto;

(3) a notice that the insurer's financial condition, policy forms, rates and trade practices are not subject to the review or jurisdiction of the commissioner;

(4) a statement that the protection of the guaranty associations is not afforded to policyholders of the insurer; and

(5) a statement or notice with respect to any other information deemed necessary by the commissioner pertinent to insuring with an ~~insurer not authorized to do business in this state~~ eligible nonadmitted insurer.

(c) In the event the insured desires that coverage be bound with an ~~insurer not admitted to this state~~ eligible nonadmitted insurer and it is not possible to obtain the written consent of the insured prior to binding the coverage, the excess lines agent may bind the coverage after advising the insured of the information set out above and shall obtain written confirmation that the insured desires that coverage be placed with an ~~insurer not admitted to this state~~ eligible nonadmitted insurer within 30 days after binding coverage.

(d) (1) When business comes to a licensed excess lines agent in which this state is the home state for placement with an ~~insurer not authorized to do business in this state~~ eligible nonadmitted insurer from an agent not licensed as an excess lines agent, it shall be the responsibility of the licensed excess lines agent to ascertain that the insured has been provided the preceding information and has consented to being insured with an ~~insurer not authorized to do business in this state~~ eligible nonadmitted insurer. Each excess lines agent shall keep a separate record book in such agent's office showing the transactions of fire and casualty insurance and reinsurance placed in ~~companies not authorized to do business in this state~~ eligible nonadmitted insurers, the amount of gross premiums charged thereon, the insurer with which the policy was placed, the date, term and number of the policy, the location and nature of the risk,

the name of the insured and such other information as the commissioner may require and such record shall be available at all times for inspection by the commissioner of insurance or the commissioner's authorized representatives. The commissioner may revoke or suspend any license issued pursuant to the provisions of this act in the same manner and for the same reasons prescribed by K.S.A. 40-4909, and amendments thereto.

(2) Any policy issued under the provisions of this statute shall have stamped or endorsed in a prominent manner thereon, the following: This policy is issued by an ~~insurer not authorized to do business~~ eligible nonadmitted insurer in Kansas and, as such, the form, financial condition and rates are not subject to review by the commissioner of insurance and the insured is not protected by any guaranty fund.

(3) If business is placed with a nonadmitted company that is subsequently determined to be insolvent, the excess lines agent placing such business with such company is relieved of any responsibility to the insured as it relates to such insolvency, if the excess lines agent has satisfactorily complied with all requirements of this section pertaining to notification of the insured, has properly obtained the written consent of the insured and has used due diligence in selecting the insurer. It shall be presumed that due diligence was used in selecting the insurer if such insurer was on the list compiled pursuant to K.S.A. 40-246e, and amendments thereto, at the time coverage first became effective.

Sec. 8. K.S.A. 40-246e is hereby amended to read as follows: 40-246e. (a) The commissioner shall maintain a list of ~~insurers not authorized to do business in this state~~ eligible nonadmitted insurers for review by any interested person. Only those insurers who have filed a certified copy of their most recent annual statement with the commissioner in the form prescribed by K.S.A. 40-225, and amendments thereto, or, if domiciled outside the United States, have filed their most recent annual statement with the national association of insurance

commissioners may appear on the list. ~~No excess lines agent shall place insurance on a Kansas domiciled risk with an insurer whose name does not appear on this list.~~ No company shall appear on the list whose capital or surplus as shown on the annual statement does not equal or exceed ~~\$4,500,000~~ \$15,000,000. Individual unincorporated insurers not listed by the national association of insurance commissioners may appear on the list if they are authorized to transact an insurance business in at least one state of the United States; and possess assets ~~which~~ that are held in trust for the benefit of American policyholders in the sum of not less than \$50,000,000 ~~and pay the filing fee required by this section.~~ Insurance exchanges ~~who~~ that issue contracts on behalf of their members and pay the filing fee required by this section may appear on the list if their individual members have a capital or surplus equal to or in excess of \$1,500,000 and the aggregate capital or surplus of all members of the exchange is at least \$15,000,000. ~~A nonrefundable filing fee of \$200 shall be required of any insurer submitting its annual statement for review by the commissioner for inclusion on such list.~~

(b) The commissioner shall remove an insurer's name from the listing only when: ~~(a) the:~~

~~The~~ (1) Insurer requests such removal;

~~or (b) the~~ (2) insurer fails to file its latest annual statement ~~and required filing fee~~ prior to May 1 of each year as required by this section; ~~or (c) the~~

(3) commissioner is notified by the insurance supervisory authority of any state of the United States that such insurer has had its authority to transact business restricted; or has been declared insolvent or placed in receivership, conservatorship, rehabilitation or any similar status wherein the business of the insurer is formally supervised by an insurance supervisory authority; ~~or (d) the~~

(4) commissioner is notified by the N.A.I.C. that any insurer domiciled outside the

United States has been declared insolvent or placed in receivership, conservatorship, rehabilitation or any similar status ~~wherein~~ in which the business of the insurer is formally supervised by an insurance supervisory authority pursuant to an order by any court of competent jurisdiction; ~~or (e) the~~

(5) insurer has failed to effectuate reasonably prompt, fair and equitable payment of just losses and claims in this state; or

~~(f) the~~(6) insurer encourages, promotes or rewards an agent to violate the provisions of K.S.A. 40-246b, and amendments thereto.

(c) Notwithstanding its inclusion on the list, a nonadmitted insurer shall be eligible to place insurance in accordance with K.S.A. 40-246b, and amendments thereto, if such insurer meets the eligibility requirements of 15 U.S.C. § 8204, as in effect on July 1, 2025.

(d) There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner, the commissioner's employees; or the state of Kansas as a result of any insurer's name appearing or not appearing on the list required by this section if such list is constructed and maintained in good faith and without malice."

On page 14, following line 8, by inserting:

"Sec. 13. K.S.A. 40-2102 is hereby amended to read as follows: 40-2102. (a) Every insurer undertaking to transact in the state of Kansas the business of automobile and motor vehicle bodily injury and property damage liability insurance and every rating organization which that files rates for such insurance shall cooperate in the preparation and submission preparing and submitting a plan to the commissioner of insurance of a plan or plans for the equitable apportionment among insurers of applicants for insurance who are, in good faith, are entitled to, but who are unable to procure such insurance through ordinary methods, such insurance. Such plan or plans shall provide:

~~(a)~~(1) Reasonable rules governing the equitable distribution of risks by direct insurance, reinsurance or otherwise and their assignment to insurers, including provisions requiring, at the request of the applicant, an immediate assumption of the risk by an insurer or insurers upon completion of an application, payment of the specified premium and deposit the application and the premium in the United States mail, postage prepaid and addressed to the plan's office;

~~(b)~~(2) rates and rate modifications applicable to such risks—~~which that~~ shall be reasonable, adequate and not unfairly discriminatory;

~~(c)~~(3) the limits of liability—~~which that~~ the insurer shall be required to assume;

~~(d)~~(4) a method—~~whereby by which~~ applicants for insurance, insureds and insurers may have a hearing on grievances and the right of appeal to the commissioner;

~~(e)~~—for every such plan or plans, there shall be ~~(5)~~ a governing board to be appointed by the commissioner of insurance—~~which that~~ shall meet at least annually to review and prescribe operating rules, ~~and which shall consist of the following members:~~

~~(1)~~(b) (1) Prior to January 1, 2026, such board shall consist of the following nine members:

(A) (i) Seven members who shall be appointed prior to December 31, 2025, as follows:

~~(a)~~ Three of such members shall be representatives of foreign insurance companies;

~~(b)~~ two members shall be representatives of domestic insurance companies; and

~~(c)~~ two members shall be licensed independent insurance agents;

~~(ii)~~ such seven members shall be appointed for a term of three years, except that the initial appointment shall include two members appointed for a two-year term and two members appointed for a one-year term as designated by the commissioner; and

~~(2)~~(B) two members—~~representative shall be representatives~~ of the general public interest with such members to be appointed for a term of two years.

(2) The terms of the members appointed and serving on the governing board as of July 1, 2025, shall expire on December 31, 2025.

(c) (1) The commissioner shall appoint a governing board for the plan that shall serve on and after January 1, 2026, and that shall have the same powers, duties and functions as its predecessor. On and after January 1, 2026, all members of such governing board shall serve three-year terms, except that such members shall be removable by the commissioner for inefficiency, neglect of duty or malfeasance. Such governing board shall consist of five members to be appointed as follows:

(A) Three members shall be representatives of insurers;

(B) one member shall be a representative of independent insurance agents; and

(C) one member shall be a representative of the general public.

(2) In making appointments to the governing board, the commissioner shall consider if foreign and domestic insurers are fairly represented.

(d) (1) The commissioner shall review the plan as soon as reasonably possible after filing in order to determine whether it meets the requirements set forth in ~~(a), (b), (e) and (d)~~ ~~above~~ subsections (a)(1) through (a)(4). As soon as reasonably possible after the plan has been filed the commissioner shall, in writing, approve or disapprove ~~the same such plan~~. Any plan shall be deemed approved unless disapproved within 45 days. Subsequent to the waiting period the commissioner may disapprove any plan on the ~~ground grounds~~ ~~that it such plan~~ does not meet the requirements set forth in ~~(a), (b), (e) and (d)~~ ~~above~~ subsections (a)(1) through (a)(4), but only after a hearing held upon not less than 10 days' written notice to every insurer and rating organization affected specifying the matter to be considered at such hearing; and only by an order specifying in what respect the commissioner finds that such plan fails to meet such requirements, and stating when within a reasonable period thereafter such plan shall be deemed

no longer effective. Such order shall not affect any assignment made or policy issued or made prior to the expiration of the period set forth in such order. Amendments to such plan or plans shall be prepared, ~~and~~ filed and reviewed in the same manner as ~~herein~~ provided in this section with respect to the original plan or plans.

(2) If no plan meeting the standards set forth in ~~(a), (b), (c) and (d)~~ subsections (a)(1) through (a)(4) is submitted to the commissioner within the period stated in any order disapproving an existing plan, the commissioner shall, if necessary to carry out the purpose of this section after hearing, prepare and promulgate a plan meeting such requirements. If, after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act, the commissioner finds that any activity or practice of any insurer or rating organization in connection with the operation of such plan or plans is unfair or unreasonable or otherwise inconsistent with the provisions of this subsection, the commissioner may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this subsection and requiring discontinuance of such activity or practice.

Sec. 14. K.S.A. 40-2109 is hereby amended to read as follows: 40-2109. (a) Every insurer undertaking to transact in this state the business of either workers compensation or employer's liability insurance or both, and every rating organization ~~which~~ that files rates for such insurance shall cooperate in ~~the preparation and submission~~ preparing and submitting a plan to the commissioner of insurance ~~of a plan or plans~~, for the equitable apportionment among insurers of applicants for insurance who ~~are~~, in good faith, are entitled to but ~~who~~ are unable to procure such insurance through ordinary methods, ~~such insurance~~. Such plan or plans shall provide:

~~(a)~~(1) Reasonable rules governing the equitable distribution of risks by direct insurance,

reinsurance or otherwise and their assignment to insurers;

~~(b)(2)~~ rates and rate modifications applicable to such risks ~~which that~~ shall be reasonable, adequate and not unfairly discriminatory;

~~(e)(3)~~ a method ~~whereby~~ by which applicants for insurance, insured and insurers may have a hearing on grievances and the right of appeal to the commissioner; and

~~(d)~~ ~~for every such plan or plans, there shall be (4)~~ a governing board to be appointed by the commissioner of insurance ~~which that~~ shall meet at least annually to review and prescribe operating rules, ~~and which shall consist of the following members:~~

(b) (1) Prior to January 1, 2026, such board shall consist of the following nine members:

~~(4)(A)~~ (i) Seven members who shall be appointed prior to December 31, 2025, as follows:

(a) ~~Three of such~~ members shall be representatives of foreign insurance companies;

(b) two members shall be representatives of domestic insurance companies; and

(c) two members shall be licensed independent insurance agents.

(ii) Such seven members shall be appointed for a term of three years, except that the initial appointment shall include two members appointed for a two-year term and two members appointed for a one-year term, as designated by the commissioner; and

~~(2)(B)~~ two members representative of the general public interest with such members to be appointed for a term of two years.

(2) The terms of the members appointed and serving on the governing board as of July 1, 2025, shall expire on December 31, 2025.

(c) (1) The commissioner shall appoint a governing board for the plan that shall serve on and after January 1, 2026, and that shall have the same powers, duties and functions as its

predecessor. On and after January 1, 2026, all members of such governing board shall serve three-year terms, except that such members shall be removable by the commissioner for inefficiency, neglect of duty or malfeasance. Such governing board shall consist of seven members to be appointed as follows:

(A) Four members shall be representatives of insurance companies;

(B) two members shall be licensed insurance agents; and

(C) one member shall be a representative of the general public interest.

(2) In selecting the members who shall be representatives of insurers, the commissioner shall consider if foreign and domestic insurers are fairly represented.

(d) (1) The commissioner shall review the plan as soon as reasonably possible after filing in order to determine whether it meets the requirements set forth in subsections (a) and (e) above(1) through (a)(3). As soon as reasonably possible after the plan has been filed the commissioner shall in writing approve or disapprove ~~the same such plan~~, except that any plan shall be deemed approved unless disapproved within 45 days. Subsequent to the waiting period the commissioner may disapprove any plan on the ground that it does not meet the requirements set forth in subsections (a), ~~(b) and (e) above~~(1) through (a)(3), but only after a hearing held upon not less than 10 days' written notice to every insurer and rating organization affected specifying the matter to be considered at such hearing, and only by an order specifying in what respect the commissioner finds that such plan fails to meet such requirements and stating when within a reasonable period thereafter such plan shall be deemed no longer effective. Such order shall not affect any assignment made or policy issued or made prior to the expiration of the period set forth in such order. Amendments to such plan or plans shall be prepared, ~~and~~ filed and reviewed in the same manner as ~~herein~~ provided in this section with respect to the original plan or plans.

(2) If no plan meeting the standards set forth in subsections (a), ~~(b) and (c)~~ (1) through (a)(3) is submitted to the commissioner within the period stated in any order, disapproving an existing plan the commissioner shall, if necessary to carry out the purpose of this section after hearing, prepare and promulgate a plan meeting such requirements. When such plan or plans or amendments thereto have been approved or promulgated, no insurer shall thereafter issue a policy of workers compensation or employer's liability insurance or undertake to transact such business in this state unless such insurer shall participate in such an approved or promulgated plan. If, after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act, the commissioner finds that any activity or practice of any insurer or rating organization in connection with the operation of such plan or plans is unfair or unreasonable or otherwise inconsistent with the provisions of this section, the commissioner may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this section and requiring discontinuance of such activity or practice.

(e) The commissioner shall approve rates and rate modifications for each plan that provides workers compensation insurance. This provision shall not prohibit the application of surcharges, experience modifications or other rating variables.";

On page 18, following line 23, by inserting:

"Sec. 18. K.S.A. 40-3116 is hereby amended to read as follows: 40-3116. (a) Insurers and self-insurers are hereby directed to organize and maintain an assigned claims plan to provide that any person; who suffers injury in this state may obtain personal injury protection benefits through such plan if:

(1) Personal injury protection benefits are not available to the injured person, except that personal injury protection benefits shall not be deemed unavailable to any person suffering

injury while such person was the operator of a motorcycle or motor-driven cycle, for which the owner thereof has rejected personal injury protection benefits pursuant to ~~subsection (f) of~~ K.S.A. 40-3107, and amendments thereto;

(2) Motor vehicle liability insurance or self-insurance applicable to the injury cannot be identified;

(3) Personal injury protection benefits applicable to the injury are inadequate to provide the contracted-for benefits because of financial inability of an insurer or self-insurer to fulfill its obligation; ~~however, except that~~ benefits available through the assigned claims plan shall be excess over any benefits paid or payable through the Kansas insurance guaranty association. If the personal injury protection benefits are not paid by the Kansas insurance guaranty association within the limitation of time specified in this act, such benefits shall be paid by the assigned claims plan. Payments made by the assigned claims plan pursuant to this section shall constitute covered claims under K.S.A. 40-2901et seq., and amendments thereto.

(b) If a claim qualifies for assignment under this section, the assigned claims plan or any insurer or self-insurer to whom the claim is assigned shall be subrogated to all of the rights of the claimant against any insurer or self-insurer, its successor in interest or substitute, legally obligated to provide personal injury protection benefits to the claimant, for any of such benefits provided by the assignment.

(c) A person shall not be entitled to personal injury protection benefits through the assigned claims plan with respect to injury ~~which that~~ such person has sustained if, at the time of such injury, such person was the owner of a motor vehicle for which a policy of motor vehicle liability insurance is required under this act and such person failed to have such policy in effect.

(d) The assigned claims plan shall be governed by such rules and regulations as are necessary for its operation and for the assessment of costs, which shall be approved by the

commissioner. Any claim brought through said plan shall be assigned to an insurer or self-insurer, in accordance with the approved regulations of operation, and such insurer or self-insurer, after the assignment, shall have the same rights and obligations as it would have if, prior to such assignment, it had issued a motor vehicle liability insurance policy providing personal injury protection benefits applicable to the loss or expenses incurred or was a self-insurer providing such benefits. Any party accepting benefits ~~hereunder~~ under this section shall have such rights and obligations as such person would have if a motor vehicle liability insurance policy providing personal injury protection benefits were issued to such person.

(e) No insurer shall write any motor vehicle liability insurance policy in this state unless the insurer participates in the assigned claims plan organized pursuant to this section, nor shall any person qualify as a self-insurer pursuant to ~~subsection (f)~~ of K.S.A. 40-3104, and amendments thereto, unless such person agrees to participate in such assigned claims plan. Any insurer or self-insurer required to participate in the assigned claims plan who violates this subsection shall be assessed a civil penalty of not more than \$5,000 for each policy issued or self-insurance certificate obtained in violation thereof.

(f) (1) On and after January 1, 2026, the governing committee of the assigned claims plan shall consist of five members, who shall be removable by the commissioner for inefficiency, neglect of duty or malfeasance. Members shall be appointed as follows:

(A) Three members shall be representatives of insurers;

(B) one member shall be a representative of independent insurance agents; and

(C) one member shall be a representative of the general public.

(2) In selecting the members who shall be representatives of insurers, the commissioner shall consider whether foreign and domestic insurers are fairly represented.";

On page 26, following line 11, by inserting:

"Sec. 21. K.S.A. 40-3413 is hereby amended to read as follows: 40-3413. (a) Every insurer and every rating organization shall cooperate in ~~the preparation of~~ preparing a plan or plans for the equitable apportionment among such insurers of applicants for professional liability insurance and such other liability insurance as may be included in or added to the plan, who ~~are~~, in good faith, are entitled to such insurance but are unable to procure ~~the same~~ through ordinary methods. Such plan or plans shall be prepared and filed with the commissioner and the board of governors within a reasonable time but not exceeding 60 calendar days ~~from the effective date of this act~~. Such plan or plans shall provide:

(1) Reasonable rules governing the equitable distribution of risks by direct insurance, reinsurance or otherwise including the authority to make assessments against the insurers participating in the plan or plans;

(2) rates and rate modifications applicable to such risks ~~which that~~ shall be reasonable, adequate and not unfairly discriminatory;

(3) a method whereby periodically the plan shall compare the premiums earned to the losses and expenses sustained by the plan. If there is any surplus of premiums over losses and expenses received for that year such surplus shall be transferred to the fund. If there is any excess of losses and expenses over premiums earned such losses shall be transferred from the fund, ~~however~~ except that such transfers shall not occur more often than once each three months;

(4) the limits of liability ~~which that~~ the plan shall be required to provide, ~~but in no event shall~~ except that such limits shall not be less than those limits provided for in ~~subsection (a) of~~ K.S.A. 40-3402, and amendments thereto; and

(5) a method ~~whereby~~ by which applicants for insurance, insureds and insurers may have a hearing on grievances and the right of appeal to the commissioner.

(b) (1) For every such plan or plans, there shall be a governing board ~~which that~~ shall

meet at least annually to review and prescribe operating rules. Prior to December 31, 2025, such board of directors shall consist of nine members to be appointed, for terms of four years, by the commissioner as follows:

~~(1)~~(A) Two members who shall be representatives of foreign insurers;

~~(2)~~(B) two members who shall be representatives of domestic insurers;

~~(3)~~(C) two members who shall be ~~health care~~ healthcare providers;

~~(4)~~(D) one member who shall be a licensed insurance agent actively engaged in the solicitation of casualty insurance;

~~(5)~~(E) one member who shall be the chairperson of the board of governors or the chairperson's designee; and

~~(6)~~(F) one member who shall be a representative of the general public.

(2) The members of the governing board appointed on or before July 1, 2025, shall serve their current terms that shall expire on December 31, 2025. On and after January 1, 2026, the governing board shall consist of five members who shall be appointed for a term of four years except that such members shall be removable by the commissioner for inefficiency, neglect of duty or malfeasance as follows:

(A) One member who shall be a representative of foreign insurers;

(B) one member who shall be a representative of domestic insurers;

(C) one member shall be a healthcare provider;

(D) one member who shall be a licensed insurance agent engaged in the solicitation of casualty insurance; and

(E) one member who shall be chairperson of the board or the chairperson's designee.

(c) The commissioner and ~~board of directors~~ governing board shall review the plan as soon as reasonably possible after filing in order to determine whether ~~it~~ if such plan meets the

requirements set forth in subsection (a). As soon as reasonably possible after the plan has been filed, the commissioner, consistent with the recommendations of the ~~board of directors governing board~~, shall ~~in writing~~ approve or disapprove the plan in writing. Any plan shall be deemed approved unless disapproved within 30 days. Subsequent to the waiting period the commissioner may disapprove any plan on the ~~ground grounds~~ that ~~it~~ such plan does not meet the requirements set forth in subsection (a), but only after a hearing held upon not less than 10 days' written notice to every insurer and rating organization affected specifying in what respect the commissioner finds that such plan fails to meet such requirements, and stating when, within a reasonable period thereafter, such plan shall be deemed no longer effective. Such order shall not affect any assignment made or policy issued or made prior to the expiration of the period set forth in the order. Amendments to such plan or plans shall be prepared, ~~and~~ filed and reviewed in the same manner as ~~herein~~ provided in this section with respect to the original plan or plans.

(d) If no plan meeting the standards set forth in subsection (a) is submitted to the commissioner and board of directors within 60 calendar days from ~~the effective date of this act~~ July 1, 1982, or within the period stated in any order disapproving an existing plan, the commissioner with the assistance of the board of directors shall after a hearing, if necessary to carry out the purpose of this act, prepare and promulgate a plan meeting such requirements.

(e) If, after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act, the commissioner and board of directors find that any activity or practice of any insurer or rating organization in connection with the operation of such plan or plans is unfair or unreasonable or otherwise inconsistent with the provisions of this act, the commissioner and board of directors may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this act and requiring discontinuance of such activity or practice.

(f) An insurer participating in the plan approved by the commissioner may pay a commission with respect to insurance written under the plan to an insurance agent licensed for any other insurer participating in the plan or to any insurer participating in the plan. Such commission shall be reasonably equivalent to the usual customary commission paid on similar types of policies issued in the voluntary market.

~~(g) Notwithstanding the provisions of K.S.A. 40-3402, and amendments thereto, the plan shall make available policies of professional liability insurance covering prior acts. Such professional liability insurance policies shall have limits of coverage not exceeding \$1,000,000 per claim, subject to not more than \$3,000,000 annual aggregate liability for all claims made as a result of personal injury or death arising out of the rendering of or the failure to render professional services within this state on or before December 31, 2014. Such professional liability insurance policies shall be made available only to physician assistants licensed by the state board of healing arts, licensed advanced practice registered nurses authorized by the state board of nursing to practice as an advanced practice registered nurse in the classification of a nurse-midwife, nursing facilities licensed by the state of Kansas, assisted living facilities licensed by the state of Kansas and residential health care facilities licensed by the state of Kansas that will be in compliance with K.S.A. 40-3402, and amendments thereto, on January 1, 2015. The premiums for such professional liability insurance policies shall be based upon reasonably prudent actuarial principles. The provisions of this subsection shall expire on January 1, 2016."~~

On page 53, following line 26, by inserting:

"Sec. 37. K.S.A. 75-4101 is hereby amended to read as follows: 75-4101. (a) There is hereby created a committee on surety bonds and insurance, which shall consist of the state treasurer, the attorney general and the commissioner of insurance or their respective designees. The commissioner of insurance shall be the chairperson of the committee and the director of

purchases or the director's designee shall be the ex officio secretary. The committee shall meet upon the call of the chairperson and at such other times as the committee shall determine ~~but at least once each month on the second Monday in each month. Meetings shall be held in the office of the commissioner of insurance.~~ The members of the committee shall serve without compensation. The secretary shall be the custodian of all property, records and proceedings of the committee. Except as provided in this section and K.S.A. 74-4925, 74-4927, 75-6501 through 75-6511 and 76-749, and amendments thereto, no state agency shall purchase any insurance of any kind or nature or any surety bonds upon state officers or employees, except as provided in this act. Except as otherwise provided in this section, ~~health care~~ healthcare coverage and ~~health care~~ healthcare services of a health maintenance organization for state officers and employees designated under K.S.A. 75-6501(c), and amendments thereto, shall be provided in accordance with the provisions of K.S.A. 75-6501 through 75-6511, and amendments thereto.

(b) The Kansas turnpike authority may purchase group life, health and accident insurance or health care services of a health maintenance organization for its employees or members of the highway patrol assigned, by contract or agreement entered pursuant to K.S.A. 68-2025, and amendments thereto, to police toll or turnpike facilities, independent of the committee on surety bonds and insurance and of the provisions of K.S.A. 75-6501 through 75-6511, and amendments thereto. Such authority may purchase liability insurance covering all or any part of its operations and may purchase liability and related insurance upon all vehicles owned or operated by the authority independent of the committee on surety bonds and insurance and such insurance may be purchased without complying with K.S.A. 75-3738 through 75-3744, and amendments thereto. Any board of county commissioners may purchase such insurance or ~~health care~~ healthcare services, independent of such committee, for district court officers and employees any part of whose total salary is payable by the county. Nothing in any other

provision of the laws of this state shall be construed as prohibiting members of the highway patrol so assigned to police toll or turnpike facilities from receiving compensation in the form of insurance or health maintenance organization coverage as herein authorized.

(c) The agencies of the state sponsoring a foster grandparent or senior companion program, or both, shall procure a policy of accident, personal liability and excess automobile liability insurance insuring volunteers participating in such programs against loss in accordance with specifications of federal grant guidelines. Such agencies may purchase such policy of insurance independent of the committee on surety bonds and insurance and without complying with K.S.A. 75-3738 through 75-3744, and amendments thereto.

(d) Any state educational institution as defined by K.S.A. 76-711, and amendments thereto, may purchase insurance of any kind or nature except employee health insurance. Such insurance shall be purchased on a competitively bid or competitively negotiated basis in accordance with procedures prescribed by the state board of regents. Such insurance may be purchased independent of the committee on surety bonds and insurance and without complying with K.S.A. 75-3738 through 75-3744, and amendments thereto.

(e) (1) The state board of regents may enter into one or more group insurance contracts to provide health and accident insurance coverage or ~~health care~~ healthcare services of a health maintenance organization for all students attending a state educational institution as defined in K.S.A. 76-711, and amendments thereto, and such students' dependents, except that such insurance shall not provide coverage for elective procedures that are not medically necessary as determined by a treating physician. The participation by a student in such coverage shall be voluntary. In the case of students who are employed by a state educational institution in a student position, the level of employer contributions toward such coverage shall be determined by the board of regents.

(2) The state board of regents is hereby authorized to independently provide, through self-insurance or the purchase of insurance contracts, ~~health care~~ healthcare benefits for employees of a state educational institution, as such term is defined in K.S.A. 76-711, and amendments thereto, when the state ~~health care~~ healthcare benefits program is insufficient to satisfy the requirements of 22 C.F.R. § 62.14, as in effect upon ~~the effective date of this section~~ April 13, 2017. Such healthcare benefits shall be limited to only those for whom the state ~~health care~~ healthcare benefits program does not meet federal requirements.

(3) The state board of regents may purchase cybersecurity insurance as it deems necessary to protect student records, labor information and other statutorily protected data that the board maintains, independent of the committee on surety bonds and insurance and without complying with the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto. As used in this paragraph, "cybersecurity insurance" includes, but is not limited to, first-party coverage against losses such as data destruction, denial of service attacks, theft, hacking and liability coverage guaranteeing compensation for damages from errors such as the failure to safeguard data.

(4) The state board of regents may adopt rules and regulations necessary to administer and implement the provisions of this section.

Sec. 38. K.S.A. 2024 Supp. 75-6301 is hereby amended to read as follows: 75-6301. (a) There is hereby established under the jurisdiction of the commissioner of insurance ~~a division to be known as the office of the securities commissioner of Kansas~~ the department of insurance, securities division. The ~~office~~ department of insurance, securities division shall be administered by the ~~securities commissioner of Kansas~~ department of insurance assistant commissioner, securities division who shall be in the unclassified service under the Kansas civil service act. The ~~securities commissioner~~ department of insurance assistant commissioner, securities division shall

be appointed by the commissioner of insurance ~~and be subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto.~~ The securities commissioner department of insurance assistant commissioner, securities division shall have special training and qualifications for such position, ~~shall~~ receive such compensation as may be fixed by the commissioner of insurance and ~~shall~~ serve at the pleasure of the commissioner of insurance. ~~Except as provided by K.S.A. 46-2601, and amendments thereto, no person appointed as securities commissioner shall exercise any power, duty or function as securities commissioner until confirmed by the senate.~~

(b) ~~The securities commissioner~~ department of insurance assistant commissioner, securities division shall devote full time to the performance of the duties of the ~~office of the securities commissioner~~ department of insurance, securities division.

(c) ~~The securities commissioner~~ department of insurance assistant commissioner, securities division may appoint directors and other employees within the ~~office of the securities commissioner~~ department of insurance, securities division as determined necessary by the ~~securities commissioner~~ department of insurance assistant commissioner, securities division to effectively carry out the mission of the office. All directors appointed after the effective date of this act shall be in the unclassified service under the Kansas civil service act, ~~shall~~ have special training and qualifications for such positions, ~~shall~~ serve at the pleasure of the ~~securities commissioner~~ department of insurance assistant commissioner, securities division and ~~shall~~ receive compensation fixed by the ~~securities commissioner~~ department of insurance assistant commissioner, securities division and approved by the commissioner of insurance.

(d) Nothing in subsection (c) shall affect the classified status of any person employed in the ~~office of the securities commissioner~~ department of insurance, securities division on the day immediately preceding the effective date of this act. The provisions of this subsection shall not

be construed to limit the powers of the ~~securities commissioner~~ department of insurance assistant commissioner, securities division pursuant to K.S.A. 75-2948, and amendments thereto.

(e) ~~The office of the securities commissioner of Kansas~~ department of insurance, securities division shall cooperate with the department of insurance ~~department~~ to consolidate administrative functions and cross-appoint such employees as deemed necessary to provide efficiency. The commissioner of insurance and the ~~securities commissioner~~ department of insurance assistant commissioner, securities division are hereby authorized to enter into agreements and adopt rules and regulations as necessary to administer the provisions of this subsection.";

Also on page 53, in line 27, after "K.S.A." by inserting "8-2405,"; also in line 27, after "40-218," by inserting "40-246b, 40-246e,"; also in line 27, after "40-956," by inserting "40-2102, 40-2109,"; in line 28, after "40-2702," by inserting "40-3116,"; also in line 28, after "40-3304," by inserting "40-3413,"; in line 30, by striking the first "and" and inserting a comma; also in line 30, after "40-5509" by inserting ", 75-4101, 75-6302, 75-6303, 75-6304, 75-6305, 75-6306 and 75-6307"; also in line 30, after "Supp." by inserting "40-102,"; in line 31, by striking "and" and inserting a comma; also in line 31, after "40-4903" by inserting "and 75-6301"; in line 33, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 4, after "register" by inserting "; reducing the number of board members appointed by the commissioner of insurance on certain insurance-related boards and the frequency of the meetings of the committee on surety bonds and insurance; renaming the Kansas insurance department as the Kansas department of insurance; requiring the commissioner of insurance to maintain a list of eligible nonadmitted insurers; authorizing certain nonadmitted insurers to transact business in Kansas with vehicle dealers and to provide excess coverage

insurance on Kansas risks; renaming the office of the securities commissioner as the department of insurance assistant commissioner, securities division; eliminating the requirement that the senate confirm the department of insurance assistant commissioner, securities division appointee"; also in line 4, after "K.S.A." by inserting "8-2405,"; in line 5, after "40-218," by inserting "40-246b, 40-246e,"; also in line 5, after "40-956," by inserting "40-2102, 40-2109,"; in line 6, after the second comma by inserting "40-3116,"; also in line 6, after "40-3304," by inserting "40-3413,"; in line 7, by striking the first "and" and inserting a comma; also in line 7, after "40-5509" by inserting "and 75-4101"; in line 8, after "Supp." by inserting "40-102,"; also in line 8, by striking "and" and inserting a comma; also in line 8, after "40-4903" by inserting "and 75-6301"; in line 9, after "40-3217" by inserting ", 75-6302, 75-6303, 75-6304, 75-6305, 75-6306 and 75-6307";

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

Conferees on part of Senate

Conferees on part of House