

As Amended by Senate Committee

Session of 2025

HOUSE BILL No. 2045

By Committee on Insurance

Requested by Eric Turek, Kansas Insurance Department

1-21

AN ACT concerning insurance; reducing the number of board members appointed by the commissioner on certain insurance-related boards and the frequency of the meetings of the committee on surety bonds and insurance; amending K.S.A. 40-2102, 40-2109, 40-3116, 40-3413 and 75-4101 and repealing the existing sections.

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

Section 1. 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;

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

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

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

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

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

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

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

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

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

26 (A) *Three* members shall be representatives of insurers;;

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

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

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

33 (d) (1) *The commissioner shall review the plan as soon as reasonably*
34 *possible after filing in order to determine whether it meets the*
35 *requirements set forth in (a), (b), (c) and (d) above subsections (a)(1)*
36 *through (a)(4). As soon as reasonably possible after the plan has been filed*
37 *the commissioner shall, in writing, approve or disapprove the same such*
38 *plan. Any plan shall be deemed approved unless disapproved within 45*
39 *days. Subsequent to the waiting period the commissioner may disapprove*
40 *any plan on the ground grounds that it such plan does not meet the*
41 *requirements set forth in (a), (b), (c) and (d) above subsections (a)(1)*
42 *through (a)(4), but only after a hearing held upon not less than 10 days'*
43 *written notice to every insurer and rating organization affected specifying*

1 the matter to be considered at such hearing; and only by an order
2 specifying in what respect the commissioner finds that such plan fails to
3 meet such requirements, and stating when within a reasonable period
4 thereafter such plan shall be deemed no longer effective. Such order shall
5 not affect any assignment made or policy issued or made prior to the
6 expiration of the period set forth in such order. Amendments to such plan
7 or plans shall be prepared, ~~and~~ filed and reviewed in the same manner as
8 ~~herein~~ provided *in this section* with respect to the original plan or plans.

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

22 Sec. 2. K.S.A. 40-2109 is hereby amended to read as follows: 40-
23 2109. (a) Every insurer undertaking to transact in this state the business of
24 either workers compensation or employer's liability insurance or both, and
25 every rating organization ~~which that~~ files rates for such insurance shall
26 cooperate in the ~~preparation and submission~~ *preparing and submitting a*
27 *plan* to the commissioner of insurance ~~of a plan or plans~~, for the equitable
28 apportionment among insurers of applicants for insurance who ~~are~~, in good
29 faith, *are* entitled to but ~~who~~ are unable to procure *such insurance* through
30 ordinary methods; ~~such insurance~~. Such plan or plans shall provide:

31 (a)(1) Reasonable rules governing the equitable distribution of risks
32 by direct insurance, reinsurance or otherwise and their assignment to
33 insurers;

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

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

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

43 (b) (1) Prior to January 1, 2026, such board shall consist of the

1 *following nine members:*

2 ~~(+)~~(A) (i) Seven members who shall be appointed *prior to December*
3 *31, 2025*, as follows:

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

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

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

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

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

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

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

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

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

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

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

32 (d) (1) The commissioner shall review the plan as soon as reasonably
33 possible after filing in order to determine whether it meets the
34 requirements set forth in subsections (a) ~~and (c) above~~(1) through (a)(3).
35 As soon as reasonably possible after the plan has been filed the
36 commissioner shall in writing approve or disapprove ~~the same such plan,~~
37 except that any plan shall be deemed approved unless disapproved within
38 45 days. Subsequent to the waiting period the commissioner may
39 disapprove any plan on the ground that it does not meet the requirements
40 set forth in subsections (a), ~~(b) and (c) above~~(1) through (a)(3), but only
41 after a hearing held upon not less than 10 days' written notice to every
42 insurer and rating organization affected specifying the matter to be
43 considered at such hearing, and only by an order specifying in what

1 respect the commissioner finds that such plan fails to meet such
2 requirements and stating when within a reasonable period thereafter such
3 plan shall be deemed no longer effective. Such order shall not affect any
4 assignment made or policy issued or made prior to the expiration of the
5 period set forth in such order. Amendments to such plan or plans shall be
6 prepared, ~~and~~ filed and reviewed in the same manner as ~~herein~~ provided *in*
7 *this section* with respect to the original plan or plans.

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

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

30 Sec. 3. K.S.A. 40-3116 is hereby amended to read as follows: 40-
31 3116. (a) Insurers and self-insurers are hereby directed to organize and
32 maintain an assigned claims plan to provide that any person; who suffers
33 injury in this state may obtain personal injury protection benefits through
34 such plan if:

35 (1) Personal injury protection benefits are not available to the injured
36 person, except that personal injury protection benefits shall not be deemed
37 unavailable to any person suffering injury while such person was the
38 operator of a motorcycle or motor-driven cycle, for which the owner
39 thereof has rejected personal injury protection benefits pursuant to
40 ~~subsection (f) of K.S.A. 40-3107~~, and amendments thereto;

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

43 (3) Personal injury protection benefits applicable to the injury are

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

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

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

23 (d) The assigned claims plan shall be governed by such rules and
24 regulations as are necessary for its operation and for the assessment of
25 costs, which shall be approved by the commissioner. Any claim brought
26 through said plan shall be assigned to an insurer or self-insurer, in
27 accordance with the approved regulations of operation, and such insurer or
28 self-insurer, after the assignment, shall have the same rights and
29 obligations *as* it would have if, prior to such assignment, it had issued a
30 motor vehicle liability insurance policy providing personal injury
31 protection benefits applicable to the loss or expenses incurred or was a
32 self-insurer providing such benefits. Any party accepting benefits
33 ~~hereunder~~ *under this section* shall have such rights and obligations as such
34 person would have if a motor vehicle liability insurance policy providing
35 personal injury protection benefits were issued to such person.

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

1 obtained in violation thereof.

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

6 (A) *Three members shall be representatives of insurers;*

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

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

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

13 Sec. 4. K.S.A. 40-3413 is hereby amended to read as follows: 40-
14 3413. (a) Every insurer and every rating organization shall cooperate in ~~the~~
15 ~~preparation of~~ *preparing* a plan or plans for the equitable apportionment
16 among such insurers of applicants for professional liability insurance and
17 such other liability insurance as may be included in or added to the plan,
18 who ~~are~~, in good faith, *are* entitled to such insurance but are unable to
19 procure ~~the same~~ through ordinary methods. Such plan or plans shall be
20 prepared and filed with the commissioner and the board of governors
21 within a reasonable time but not exceeding 60 calendar days ~~from the~~
22 ~~effective date of this act~~. Such plan or plans shall provide:

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

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

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

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

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

42 (b) (1) For every such plan or plans, there shall be a governing board
43 ~~which that~~ shall meet at least annually to review and prescribe operating

1 rules. *Prior to December 31, 2025*, such board of directors shall consist of
2 nine members to be appointed, for terms of four years, by the
3 commissioner as follows:

4 ~~(+)~~(A) Two members *who* shall be representatives of foreign insurers;

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

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

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

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

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

14 (2) *The members of the governing board appointed on or before July*
15 *1, 2025, shall serve their current terms that shall expire on December 31,*
16 *2025. On and after January 1, 2026, the governing board shall consist of*
17 *five members who shall be appointed for a term of four years except that*
18 *such members shall be removable by the commissioner for inefficiency,*
19 *neglect of duty or malfeasance as follows:*

20 (i) *One member who shall be a representative of foreign insurers;*

21 (ii) *one member who shall be a representative of domestic insurers;*

22 (iii) *one member shall be a healthcare provider;*

23 (iv) *one member who shall be a licensed insurance agent engaged in*
24 *the solicitation of casualty insurance; and*

25 (v) *one member who shall be chairperson of the board or the*
26 *chairperson's designee.*

27 (c) The commissioner and ~~board of directors~~ governing board shall
28 review the plan as soon as reasonably possible after filing in order to
29 determine whether ~~it~~ *if such plan* meets the requirements set forth in
30 subsection (a). As soon as reasonably possible after the plan has been
31 filed, the commissioner, consistent with the recommendations of the ~~board~~
32 ~~of directors governing board~~, shall ~~in writing~~ approve or disapprove the
33 plan *in writing*. Any plan shall be deemed approved unless disapproved
34 within 30 days. Subsequent to the waiting period the commissioner may
35 disapprove any plan on the ~~ground~~ grounds that ~~it~~ *such plan* does not meet
36 the requirements set forth in subsection (a), but only after a hearing held
37 upon not less than 10 days' written notice to every insurer and rating
38 organization affected specifying in what respect the commissioner finds
39 that such plan fails to meet such requirements; and stating when, within a
40 reasonable period thereafter, such plan shall be deemed no longer
41 effective. Such order shall not affect any assignment made or policy issued
42 or made prior to the expiration of the period set forth in the order.
43 Amendments to such plan or plans shall be prepared, ~~and~~ filed and

1 reviewed in the same manner as ~~herein~~ provided *in this section* with
2 respect to the original plan or plans.

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

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

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

25 ~~(g) Notwithstanding the provisions of K.S.A. 40-3402, and~~
26 ~~amendments thereto, the plan shall make available policies of professional~~
27 ~~liability insurance covering prior acts. Such professional liability insurance~~
28 ~~policies shall have limits of coverage not exceeding \$1,000,000 per claim,~~
29 ~~subject to not more than \$3,000,000 annual aggregate liability for all~~
30 ~~claims made as a result of personal injury or death arising out of the~~
31 ~~rendering of or the failure to render professional services within this state~~
32 ~~on or before December 31, 2014. Such professional liability insurance~~
33 ~~policies shall be made available only to physician assistants licensed by~~
34 ~~the state board of healing arts, licensed advanced practice registered nurses~~
35 ~~authorized by the state board of nursing to practice as an advanced practice~~
36 ~~registered nurse in the classification of a nurse-midwife, nursing facilities~~
37 ~~licensed by the state of Kansas, assisted living facilities licensed by the~~
38 ~~state of Kansas and residential health care facilities licensed by the state of~~
39 ~~Kansas that will be in compliance with K.S.A. 40-3402, and amendments~~
40 ~~thereto, on January 1, 2015. The premiums for such professional liability~~
41 ~~insurance policies shall be based upon reasonably prudent actuarial~~
42 ~~principles. The provisions of this subsection shall expire on January 1,~~
43 ~~2016.~~

1 Sec. 5. K.S.A. 75-4101 is hereby amended to read as follows: 75-
2 4101. (a) There is hereby created a committee on surety bonds and
3 insurance, which shall consist of the state treasurer, the attorney general
4 and the commissioner of insurance or their respective designees. The
5 commissioner of insurance shall be the chairperson of the committee and
6 the director of purchases or the director's designee shall be the ex officio
7 secretary. The committee shall meet upon the call of the chairperson and at
8 such other times as the committee shall determine ~~but at least once each~~
9 ~~month on the second Monday in each month. Meetings shall be held in the~~
10 ~~office of the commissioner of insurance.~~ The members of the committee
11 shall serve without compensation. The secretary shall be the custodian of
12 all property, records and proceedings of the committee. Except as provided
13 in this section and K.S.A. 74-4925, 74-4927, 75-6501 through 75-6511
14 and 76-749, and amendments thereto, no state agency shall purchase any
15 insurance of any kind or nature or any surety bonds upon state officers or
16 employees, except as provided in this act. Except as otherwise provided in
17 this section, ~~health care~~ *healthcare* coverage and ~~health care~~ *healthcare*
18 services of a health maintenance organization for state officers and
19 employees designated under K.S.A. 75-6501(c), and amendments thereto,
20 shall be provided in accordance with the provisions of K.S.A. 75-6501
21 through 75-6511, and amendments thereto.

22 (b) The Kansas turnpike authority may purchase group life, health
23 and accident insurance or health care services of a health maintenance
24 organization for its employees or members of the highway patrol assigned,
25 by contract or agreement entered pursuant to K.S.A. 68-2025, and
26 amendments thereto, to police toll or turnpike facilities, independent of the
27 committee on surety bonds and insurance and of the provisions of K.S.A.
28 75-6501 through 75-6511, and amendments thereto. Such authority may
29 purchase liability insurance covering all or any part of its operations and
30 may purchase liability and related insurance upon all vehicles owned or
31 operated by the authority independent of the committee on surety bonds
32 and insurance and such insurance may be purchased without complying
33 with K.S.A. 75-3738 through 75-3744, and amendments thereto. Any
34 board of county commissioners may purchase such insurance or ~~health~~
35 ~~care~~ *healthcare* services, independent of such committee, for district court
36 officers and employees any part of whose total salary is payable by the
37 county. Nothing in any other provision of the laws of this state shall be
38 construed as prohibiting members of the highway patrol so assigned to
39 police toll or turnpike facilities from receiving compensation in the form
40 of insurance or health maintenance organization coverage as herein
41 authorized.

42 (c) The agencies of the state sponsoring a foster grandparent or senior
43 companion program, or both, shall procure a policy of accident, personal

1 liability and excess automobile liability insurance insuring volunteers
2 participating in such programs against loss in accordance with
3 specifications of federal grant guidelines. Such agencies may purchase
4 such policy of insurance independent of the committee on surety bonds
5 and insurance and without complying with K.S.A. 75-3738 through 75-
6 3744, and amendments thereto.

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

15 (e) (1) The state board of regents may enter into one or more group
16 insurance contracts to provide health and accident insurance coverage or
17 ~~health-care~~ *healthcare* services of a health maintenance organization for all
18 students attending a state educational institution as defined in K.S.A. 76-
19 711, and amendments thereto, and such students' dependents, except that
20 such insurance shall not provide coverage for elective procedures that are
21 not medically necessary as determined by a treating physician. The
22 participation by a student in such coverage shall be voluntary. In the case
23 of students who are employed by a state educational institution in a student
24 position, the level of employer contributions toward such coverage shall be
25 determined by the board of regents.

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

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

1 data.

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

4 Sec. 6. K.S.A. 40-2102, 40-2109, 40-3116, 40-3413 and 75-4101 are
5 hereby repealed.

6 Sec. 7. This act shall take effect and be in force from and after its
7 publication in the ~~statute book~~ ***Kansas register***.