

SENATE BILL No. 20

By Committee on Financial Institutions and Insurance

1-16

1 AN ACT concerning insurance; reducing the number of board members
2 appointed by the commissioner on certain insurance-related boards and
3 the frequency of the meetings of the committee on surety bonds and
4 insurance; amending K.S.A. 40-2102, 40-2109, 40-3116, 40-3413 and
5 75-4101 and repealing the existing sections.

6
7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 40-2102 is hereby amended to read as follows: 40-
9 2102. (a) Every insurer undertaking to transact in the state of Kansas the
10 business of automobile and motor vehicle bodily injury and property
11 damage liability insurance and every rating organization ~~which that~~ files
12 rates for such insurance shall cooperate in ~~the preparation and submission~~
13 *preparing and submitting a plan* to the commissioner of insurance ~~of a~~
14 ~~plan or plans~~ for the equitable apportionment among insurers of applicants
15 for insurance who ~~are~~, in good faith; *are* entitled to, but ~~who~~ are unable to
16 procure *such insurance* through ordinary methods; ~~such insurance~~. Such
17 plan or plans shall provide:

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

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

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

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

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

36 (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 31,*
3 *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~~ shall be representatives of the
14 general public interest with such members to be appointed for a term of
15 two years.

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

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

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

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

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

29 (2) *In making appointments to the governing board, the*
30 *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 ~~(a), (b), (c) and (d) above~~ subsections (a)(1)
35 through (a)(4). As soon as reasonably possible after the plan has been filed
36 the commissioner shall, in writing, approve or disapprove ~~the same such~~
37 *plan*. Any plan shall be deemed approved unless disapproved within 45
38 days. Subsequent to the waiting period the commissioner may disapprove
39 any plan on the ~~ground~~ grounds that ~~it such plan~~ does not meet the
40 requirements set forth in ~~(a), (b), (c) and (d) above~~ subsections (a)(1)
41 through (a)(4), but only after a hearing held upon not less than 10 days'
42 written notice to every insurer and rating organization affected specifying
43 the matter to be considered at such hearing; and only by an order

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (3) Personal injury protection benefits applicable to the injury are
43 inadequate to provide the contracted-for benefits because of financial

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 (b) (1) For every such plan or plans, there shall be a governing board
 42 ~~which that~~ shall meet at least annually to review and prescribe operating
 43 rules. *Prior to December 31, 2025, such board of directors shall consist of*

1 nine members to be appointed, for terms of four years, by the
2 commissioner as follows:

- 3 ~~(1)~~(A) Two members *who* shall be representatives of foreign insurers;
4 ~~(2)~~(B) two members *who* shall be representatives of domestic
5 insurers;
6 ~~(3)~~(C) two members *who* shall be ~~health care~~ *healthcare* providers;
7 ~~(4)~~(D) one member *who* shall be a licensed insurance agent actively
8 engaged in the solicitation of casualty insurance;
9 ~~(5)~~(E) one member *who* shall be the chairperson of the board of
10 governors or the chairperson's designee; and
11 ~~(6)~~(F) one member *who* shall be a representative of the general
12 public.

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

- 19 (i) *One member who shall be a representative of foreign insurers;*
20 (ii) *one member who shall be a representative of domestic insurers;*
21 (iii) *one member shall be a healthcare provider;*
22 (iv) *one member who shall be a licensed insurance agent engaged in*
23 *the solicitation of casualty insurance; and*
24 (v) *one member who shall be chairperson of the board or the*
25 *chairperson's designee.*

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

1 respect to the original plan or plans.

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

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

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

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

43 Sec. 5. K.S.A. 75-4101 is hereby amended to read as follows: 75-

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

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

41 (c) The agencies of the state sponsoring a foster grandparent or senior
42 companion program, or both, shall procure a policy of accident, personal
43 liability and excess automobile liability insurance insuring volunteers

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

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

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

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

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

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

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

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