

**As Amended by House Committee**

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***As Amended by Senate Committee***

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*Session of 2025*

**SENATE BILL No. 23**

By Committee on Financial Institutions and Insurance

1-16

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1 AN ACT concerning insurance; relating to unfair and deceptive acts or  
2 practices; requiring agents and insurers to respond to inquiries from the  
3 commissioner of insurance within 14 calendar days; authorizing certain  
4 rebate pilot programs to exceed one year in duration; amending K.S.A.  
5 2024 Supp. 40-2404 and 40-4909 and repealing the existing sections.  
6

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

8 Section 1. K.S.A. 2024 Supp. 40-2404 is hereby amended to read as  
9 follows: 40-2404. The following are hereby defined as unfair methods of  
10 competition and unfair or deceptive acts or practices in the business of  
11 insurance:

12 (1) *Misrepresentations and false advertising of insurance policies.*  
13 Making, issuing, circulating or causing to be made, issued or circulated,  
14 any estimate, illustration, circular, statement, sales presentation, omission  
15 or comparison that:

16 (a) Misrepresents the benefits, advantages, conditions or terms of any  
17 insurance policy;

18 (b) misrepresents the dividends or share of the surplus to be received  
19 on any insurance policy;

20 (c) makes any false or misleading statements as to the dividends or  
21 share of surplus previously paid on any insurance policy;

22 (d) is misleading or is a misrepresentation as to the financial  
23 condition of any person, or as to the legal reserve system upon which any  
24 life insurer operates;

25 (e) uses any name or title of any insurance policy or class of  
26 insurance policies misrepresenting the true nature thereof;

27 (f) is a misrepresentation for the purpose of inducing or tending to  
28 induce the lapse, forfeiture, exchange, conversion or surrender of any  
29 insurance policy;

30 (g) is a misrepresentation for the purpose of effecting a pledge or  
31 assignment of or effecting a loan against any insurance policy; or

32 (h) misrepresents any insurance policy as being shares of stock.

33 (2) *False information and advertising generally.* Making, publishing,  
34 disseminating, circulating or placing before the public, or causing, directly

1 or indirectly, to be made, published, disseminated, circulated or placed  
2 before the public, in a newspaper, magazine or other publication, or in the  
3 form of a notice, circular, pamphlet, letter or poster, or over any radio or  
4 television station, or in any other way, an advertisement, announcement or  
5 statement containing any assertion, misrepresentation or statement with  
6 respect to the business of insurance or with respect to any person in the  
7 conduct of such person's insurance business, that is untrue, deceptive or  
8 misleading.

9 (3) *Defamation.* Making, publishing, disseminating or circulating,  
10 directly or indirectly, or aiding, abetting or encouraging the making,  
11 publishing, disseminating or circulating of any oral or written statement or  
12 any pamphlet, circular, article or literature that is false, or maliciously  
13 critical of or derogatory to the financial condition of any person, and that  
14 is calculated to injure such person.

15 (4) *Boycott, coercion and intimidation.* Entering into any agreement  
16 to commit, or by any concerted action committing, any act of boycott,  
17 coercion or intimidation resulting in or tending to result in unreasonable  
18 restraint of the business of insurance, or by any act of boycott, coercion or  
19 intimidation monopolizing or attempting to monopolize any part of the  
20 business of insurance.

21 (5) *False statements and entries.* (a) Knowingly filing with any  
22 supervisory or other public official, or knowingly making, publishing,  
23 disseminating, circulating or delivering to any person, or placing before  
24 the public, or knowingly causing directly or indirectly, to be made,  
25 published, disseminated, circulated, delivered to any person, or placed  
26 before the public, any false material statement of fact as to the financial  
27 condition of a person.

28 (b) Knowingly making any false entry of a material fact in any book,  
29 report or statement of any person or knowingly omitting to make a true  
30 entry of any material fact pertaining to the business of such person in any  
31 book, report or statement of such person.

32 (6) *Stock operations and advisory board contracts.* Issuing or  
33 delivering or permitting agents, officers or employees to issue or deliver,  
34 agency company stock or other capital stock, or benefit certificates or  
35 shares in any common-law corporation, or securities or any special or  
36 advisory board contracts or other contracts of any kind promising returns  
37 and profits as an inducement to insurance. Nothing herein shall prohibit  
38 the acts permitted by K.S.A. 40-232, and amendments thereto.

39 (7) *Unfair discrimination.* (a) Making or permitting any unfair  
40 discrimination between individuals of the same class and equal expectation  
41 of life in the rates charged for any contract of life insurance or life annuity  
42 or in the dividends or other benefits payable thereon, or in any other of the  
43 terms and conditions of such contract.

1 (b) Making or permitting any unfair discrimination between  
2 individuals of the same class and of essentially the same hazard in the  
3 amount of premium, policy fees or rates charged for any policy or contract  
4 of accident or health insurance or in the benefits payable thereunder, or in  
5 any of the terms or conditions of such contract, or in any other manner  
6 whatever.

7 (c) Refusing to insure, or refusing to continue to insure, or limiting  
8 the amount, extent or kind of coverage available to an individual, or  
9 charging an individual a different rate for the same coverage solely  
10 because of blindness or partial blindness. With respect to all other  
11 conditions, including the underlying cause of the blindness or partial  
12 blindness, persons who are blind or partially blind shall be subject to the  
13 same standards of sound actuarial principles or actual or reasonably  
14 anticipated experience as are sighted persons. Refusal to insure includes  
15 denial by an insurer of disability insurance coverage on the grounds that  
16 the policy defines "disability" as being presumed in the event that the  
17 insured loses such person's eyesight. However, an insurer may exclude  
18 from coverage disabilities consisting solely of blindness or partial  
19 blindness when such condition existed at the time the policy was issued.

20 (d) Refusing to insure, or refusing to continue to insure, or limiting  
21 the amount, extent or kind of coverage available for accident and health  
22 and life insurance to an applicant who is the proposed insured or charge a  
23 different rate for the same coverage or excluding or limiting coverage for  
24 losses or denying a claim incurred by an insured as a result of abuse based  
25 on the fact that the applicant who is the proposed insured is, has been, or  
26 may be the subject of domestic abuse, except as provided in subsection (7)  
27 (d)(v). "Abuse" as used in this paragraph means one or more acts defined  
28 in K.S.A. 60-3102, and amendments thereto, between family members,  
29 current or former household members, or current or former intimate  
30 partners.

31 (i) An insurer may not ask an applicant for life or accident and health  
32 insurance who is the proposed insured if the individual is, has been or may  
33 be the subject of domestic abuse or seeks, has sought or had reason to seek  
34 medical or psychological treatment or counseling specifically for abuse,  
35 protection from abuse or shelter from abuse.

36 (ii) Nothing in this section shall be construed to prohibit a person  
37 from declining to issue an insurance policy insuring the life of an  
38 individual who is, has been or has the potential to be the subject of abuse if  
39 the perpetrator of the abuse is the applicant or would be the owner of the  
40 insurance policy.

41 (iii) No insurer that issues a life or accident and health policy to an  
42 individual who is, has been or may be the subject of domestic abuse shall  
43 be subject to civil or criminal liability for the death or any injuries suffered

1 by that individual as a result of domestic abuse.

2 (iv) No person shall refuse to insure, refuse to continue to insure,  
3 limit the amount, extent or kind of coverage available to an individual or  
4 charge a different rate for the same coverage solely because of physical or  
5 mental condition, except where the refusal, limitation or rate differential is  
6 based on sound actuarial principles.

7 (v) Nothing in this section shall be construed to prohibit a person  
8 from underwriting or rating a risk on the basis of a preexisting physical or  
9 mental condition, even if such condition has been caused by abuse,  
10 provided that:

11 (A) The person routinely underwrites or rates such condition in the  
12 same manner with respect to an insured or an applicant who is not a victim  
13 of abuse;

14 (B) the fact that an individual is, has been or may be the subject of  
15 abuse may not be considered a physical or mental condition; and

16 (C) such underwriting or rating is not used to evade the intent of this  
17 section or any other provision of the Kansas insurance code.

18 (vi) Any person who underwrites or rates a risk on the basis of  
19 preexisting physical or mental condition as set forth in subsection (7)(d)  
20 (v), shall treat such underwriting or rating as an adverse underwriting  
21 decision pursuant to K.S.A. 40-2,112, and amendments thereto.

22 (vii) The provisions of this paragraph shall apply to all policies of life  
23 and accident and health insurance issued in this state after the effective  
24 date of this act and all existing contracts that are renewed on or after the  
25 effective date of this act.

26 (e) Refusing to insure, or refusing to continue to insure, or limiting  
27 the amount, extent or kind of coverage available for life insurance to an  
28 individual, or charging an individual a different rate for the same coverage,  
29 solely because of such individual's status as a living organ donor. With  
30 respect to all other conditions, persons who are living organ donors shall  
31 be subject to the same standards of sound actuarial principles or actual or  
32 reasonably anticipated experience as are persons who are not organ  
33 donors.

34 (8) *Rebates.* (a) Except as otherwise expressly provided by law,  
35 knowingly permitting, offering to make or making any contract of life  
36 insurance, life annuity or accident and health insurance, or agreement as to  
37 such contract other than as plainly expressed in the insurance contract  
38 issued thereon; paying, allowing, giving or offering to pay, allow or give,  
39 directly or indirectly, as inducement to such insurance, or annuity, any  
40 rebate of premiums payable on the contract, any special favor or advantage  
41 in the dividends or other benefits thereon, or any valuable consideration or  
42 inducement whatever not specified in the contract; or giving, selling,  
43 purchasing or offering to give, sell or purchase as inducement to such

1 insurance contract or annuity or in connection therewith, any stocks, bonds  
2 or other securities of any insurance company or other corporation,  
3 association or partnership, or any dividends or profits accrued thereon, or  
4 anything of value whatsoever not specified in the contract.

5 (b) Nothing in subsection (7) or (8)(a) shall be construed as including  
6 within the definition of discrimination or rebates any of the following  
7 practices:

8 (i) In the case of any contract of life insurance or life annuity, paying  
9 bonuses to policyholders or otherwise abating their premiums in whole or  
10 in part out of surplus accumulated from nonparticipating insurance. Any  
11 such bonuses or abatement of premiums shall be fair and equitable to  
12 policyholders and for the best interests of the company and its  
13 policyholders;

14 (ii) in the case of life insurance policies issued on the industrial debit  
15 plan, making allowance to policyholders who have continuously for a  
16 specified period made premium payments directly to an office of the  
17 insurer in an amount that fairly represents the saving in collection  
18 expenses;

19 (iii) readjustment of the rate of premium for a group insurance policy  
20 based on the loss or expense experience thereunder, at the end of the first  
21 or any subsequent policy year of insurance thereunder, which may be  
22 made retroactive only for such policy year;

23 (iv) engaging in an arrangement that would not violate section 106 of  
24 the bank holding company act amendments of 1972, as interpreted by the  
25 board of governors of the federal reserve system or section 5(q) of the  
26 home owners' loan act;

27 (v) the offer or provision by insurers or producers, by or through  
28 employees, affiliates or third-party representatives, of value-added  
29 products or services at no or reduced cost when such products or services  
30 are not specified in the policy of insurance if the product or service:

31 (A) Relates to the insurance coverage; and

32 (B) is primarily designed to satisfy one or more of the following:

33 (1) Provide loss mitigation or loss control;

34 (2) reduce claim costs or claim settlement costs;

35 (3) provide education about liability risks or risk of loss to persons or  
36 property;

37 (4) monitor or assess risk, identify sources of risk or develop  
38 strategies for eliminating or reducing risk;

39 (5) enhance health;

40 (6) enhance financial wellness through items such as education or  
41 financial planning services;

42 (7) provide post-loss services;

43 (8) (a) incentivize behavioral changes to improve the health or reduce

1 the risk of death or disability of a customer;

2 (b) as used in this section, "customer" means a policyholder, potential  
3 policyholder, certificate holder, potential certificate holder, insured,  
4 potential insured or applicant; or

5 (9) assist in the administration of the employee or retiree benefit  
6 insurance coverage.

7 (C) The cost to the insurer or producer offering the product or service  
8 to any given customer shall be reasonable in comparison to such  
9 customer's premiums or insurance coverage for the policy class.

10 (D) If the insurer or producer is providing the product or service  
11 offered, the insurer or producer shall ensure that the customer is provided  
12 with contact information, upon request, to assist the customer with  
13 questions regarding the product or service.

14 (E) The commissioner may adopt rules and regulations when  
15 implementing the permitted practices set forth in this section to ensure  
16 consumer protection. Such rules and regulations, consistent with  
17 applicable law, may address, among other issues, consumer data  
18 protections and privacy, consumer disclosure and unfair discrimination.

19 (F) The availability of the value-added product or service shall be  
20 based on documented objective criteria and offered in a manner that is not  
21 unfairly discriminatory. The documented criteria shall be maintained by  
22 the insurer or producer and produced upon request by the commissioner.

23 (G) (1) If an insurer or producer does not have sufficient evidence but  
24 has a good-faith belief that the product or service meets the criteria in  
25 subsection (8)(b)(v)(B), the insurer or producer may provide the product or  
26 service in a manner that is not unfairly discriminatory as part of a pilot or  
27 testing program for not more than one year. An insurer or producer shall  
28 notify the commissioner of such a pilot or testing program offered to  
29 consumers in this state prior to launching and may proceed with the  
30 program unless the commissioner objects within 21 days of notice.

31 (2) *If the insurer or producer is unable to determine sufficient*  
32 *evidence within the one-year pilot or testing period, the insurer or*  
33 *producer may request that such pilot or testing period be extended for*  
34 *such additional time as necessary to determine if the product or service*  
35 *meets the criteria described in subsection (8)(b)(v)(B). **Upon such a***  
36 ***request, the commissioner may grant an extension of a specified time.***

37 (vi) An insurer or a producer may:

38 (A) Offer or give non-cash gifts, items or services, including meals to  
39 or charitable donations on behalf of a customer, in connection with the  
40 marketing, sale, purchase or retention of contracts of insurance, as long as  
41 the cost does not exceed an amount determined to be reasonable by the  
42 commissioner per policy year per term. The offer shall be made in a  
43 manner that is not unfairly discriminatory. The customer shall not be

1 required to purchase, continue to purchase or renew a policy in exchange  
2 for the gift, item or service.

3 (B) Conduct raffles or drawings to the extent permitted by state law,  
4 as long as there is no financial cost to entrants to participate, the drawing  
5 or raffle does not obligate participants to purchase insurance, the prizes are  
6 not valued in excess of a reasonable amount determined by the  
7 commissioner and the drawing or raffle is open to the public. The raffle or  
8 drawing shall be offered in a manner that is not unfairly discriminatory.  
9 The customer shall not be required to purchase, continue to purchase or  
10 renew a policy in exchange for the gift, item or service.

11 (c) An insurer, producer or representative of an insurer or producer  
12 shall not offer or provide insurance as an inducement to the purchase of  
13 another policy.

14 (9) *Unfair claim settlement practices.* It is an unfair claim settlement  
15 practice if any of the following or any rules and regulations pertaining  
16 thereto are either committed flagrantly and in conscious disregard of such  
17 provisions, or committed with such frequency as to indicate a general  
18 business practice:

19 (a) Misrepresenting pertinent facts or insurance policy provisions  
20 relating to coverages at issue;

21 (b) failing to acknowledge and act reasonably promptly upon  
22 communications with respect to claims arising under insurance policies;

23 (c) failing to adopt and implement reasonable standards for the  
24 prompt investigation of claims arising under insurance policies;

25 (d) refusing to pay claims without conducting a reasonable  
26 investigation based upon all available information;

27 (e) failing to affirm or deny coverage of claims within a reasonable  
28 time after proof of loss statements have been completed;

29 (f) not attempting in good faith to effectuate prompt, fair and  
30 equitable settlements of claims in which liability has become reasonably  
31 clear;

32 (g) compelling insureds to institute litigation to recover amounts due  
33 under an insurance policy by offering substantially less than the amounts  
34 ultimately recovered in actions brought by such insureds;

35 (h) attempting to settle a claim for less than the amount to which a  
36 reasonable person would have believed that such person was entitled by  
37 reference to written or printed advertising material accompanying or made  
38 part of an application;

39 (i) attempting to settle claims on the basis of an application that was  
40 altered without notice to, or knowledge or consent of the insured;

41 (j) making claims payments to insureds or beneficiaries not  
42 accompanied by a statement setting forth the coverage under which  
43 payments are being made;

1 (k) making known to insureds or claimants a policy of appealing from  
2 arbitration awards in favor of insureds or claimants for the purpose of  
3 compelling them to accept settlements or compromises less than the  
4 amount awarded in arbitration;

5 (l) delaying the investigation or payment of claims by requiring an  
6 insured, claimant or the physician of either to submit a preliminary claim  
7 report and then requiring the subsequent submission of formal proof of  
8 loss forms, both of which submissions contain substantially the same  
9 information;

10 (m) failing to promptly settle claims, where liability has become  
11 reasonably clear, under one portion of the insurance policy coverage in  
12 order to influence settlements under other portions of the insurance policy  
13 coverage; or

14 (n) failing to promptly provide a reasonable explanation of the basis  
15 in the insurance policy in relation to the facts or applicable law for denial  
16 of a claim or for the offer of a compromise settlement.

17 (10) *Failure to respond to an inquiry.* An insurer's failing, upon  
18 receipt of any inquiry from the insurance department concerning a  
19 complaint or inquiry related to a particular matter, within 14 calendar  
20 days of receipt of such inquiry to furnish the department with an adequate  
21 response to such inquiry.

22 (11) *Failure to maintain complaint handling procedures.* Failure of  
23 any person, who is an insurer on an insurance policy, to maintain a  
24 complete record of all the complaints that it has received since the date of  
25 its last examination under K.S.A. 40-222, and amendments thereto; ~~but~~,  
26 *except that* no such records shall be required for complaints received prior  
27 to the effective date of this act. The record shall indicate the total number  
28 of complaints, their classification by line of insurance, the nature of each  
29 complaint, the disposition of the complaints, the date each complaint was  
30 originally received by the insurer and the date of final disposition of each  
31 complaint. For purposes of this ~~subsection~~ section, "complaint" means any  
32 written communication primarily expressing a grievance related to the acts  
33 and practices set out in this section.

34 ~~(11)~~(12) *Misrepresentation in insurance applications.* Making false  
35 or fraudulent statements or representations on or relative to an application  
36 for an insurance policy, for the purpose of obtaining a fee, commission,  
37 money or other benefit from any insurer, agent, broker or individual.

38 ~~(12)~~(13) *Statutory violations.* Any violation of any of the provisions  
39 of K.S.A. 40-216, 40-276a, 40-2,155 or 40-1515, and amendments thereto.

40 ~~(13)~~(14) *Disclosure of information relating to adverse underwriting*  
41 *decisions and refund of premiums.* Failing to comply with the provisions of  
42 K.S.A. 40-2,112, and amendments thereto, within the time prescribed in  
43 such section.



1       ~~(14)~~(15) *Rebates and other inducements in title insurance.* (a) No title  
2 insurance company or title insurance agent, or any officer, employee,  
3 attorney, agent or solicitor thereof, may pay, allow or give, or offer to pay,  
4 allow or give, directly or indirectly, as an inducement to obtaining any title  
5 insurance business, any rebate, reduction or abatement of any rate or  
6 charge made incident to the issuance of such insurance, any special favor  
7 or advantage not generally available to others of the same classification, or  
8 any money, thing of value or other consideration or material inducement.  
9 ~~The words "Charge made incident to the issuance of such insurance"~~  
10 includes, without limitations, escrow, settlement and closing charges.

11       (b) No insured named in a title insurance policy or contract nor any  
12 other person directly or indirectly connected with the transaction involving  
13 the issuance of the policy or contract, including, but not limited to,  
14 mortgage lender, real estate broker, builder, attorney or any officer,  
15 employee, agent representative or solicitor thereof, or any other person  
16 may knowingly receive or accept, directly or indirectly, any rebate,  
17 reduction or abatement of any charge, or any special favor or advantage or  
18 any monetary consideration or inducement referred to in subsection ~~(14)(a)~~  
19 *(15)(a)*.

20       (c) Nothing in this section shall be construed as prohibiting:

21       (i) The payment of reasonable fees for services actually rendered to a  
22 title insurance agent in connection with a title insurance transaction;

23       (ii) the payment of an earned commission to a duly appointed title  
24 insurance agent for services actually performed in the issuance of the  
25 policy of title insurance; or

26       (iii) the payment of reasonable entertainment and advertising  
27 expenses.

28       (d) Nothing in this section prohibits the division of rates and charges  
29 between or among a title insurance company and its agent, or one or more  
30 title insurance companies and one or more title insurance agents, if such  
31 division of rates and charges does not constitute an unlawful rebate under  
32 the provisions of this section and is not in payment of a forwarding fee or a  
33 finder's fee.

34       (e) As used in subsections ~~(14)(e)~~ *(15)(e)* through ~~(14)(i)~~ *(15)(i)*,  
35 unless the context otherwise requires:

36       (i) "Associate" means any firm, association, organization, partnership,  
37 business trust, corporation or other legal entity organized for profit in  
38 which a producer of title business is a director, officer or partner thereof,  
39 or owner of a financial interest; the spouse or any relative within the  
40 second degree by blood or marriage of a producer of title business who is a  
41 natural person; any director, officer or employee of a producer of title  
42 business or associate; any legal entity that controls, is controlled by, or is  
43 under common control with a producer of title business or associate; and

1 any natural person or legal entity with whom a producer of title business or  
2 associate has any agreement, arrangement or understanding or pursues any  
3 course of conduct, the purpose or effect of which is to evade the provisions  
4 of this section.

5 (ii) "Financial interest" means any direct or indirect interest, legal or  
6 beneficial, where the holder thereof is or will be entitled to 1% or more of  
7 the net profits or net worth of the entity in which such interest is held.  
8 Notwithstanding the foregoing, an interest of less than 1% or any other  
9 type of interest shall constitute a "financial interest" if the primary purpose  
10 of the acquisition or retention of that interest is the financial benefit to be  
11 obtained as a consequence of that interest from the referral of title  
12 business.

13 (iii) "Person" means any natural person, partnership, association,  
14 cooperative, corporation, trust or other legal entity.

15 (iv) "Producer of title business" or "producer" means any person,  
16 including any officer, director or owner of 5% or more of the equity or  
17 capital or both of any person, engaged in this state in the trade, business,  
18 occupation or profession of:

19 (A) Buying or selling interests in real property;

20 (B) making loans secured by interests in real property; or

21 (C) acting as broker, agent, representative or attorney for a person  
22 who buys or sells any interest in real property or who lends or borrows  
23 money with such interest as security.

24 (v) "Refer" means to direct or cause to be directed or to exercise any  
25 power or influence over the direction of title insurance business, whether  
26 or not the consent or approval of any other person is sought or obtained  
27 with respect to the referral.

28 (f) No title insurer or title agent may accept any order for, issue a title  
29 insurance policy to, or provide services to, an applicant if it knows or has  
30 reason to believe that the applicant was referred to it by any producer of  
31 title business or by any associate of such producer, where the producer, the  
32 associate, or both, have a financial interest in the title insurer or title agent  
33 to which business is referred unless the producer has disclosed to the  
34 buyer, seller and lender the financial interest of the producer of title  
35 business or associate referring the title insurance business.

36 (g) No title insurer or title agent may accept an order for title  
37 insurance business, issue a title insurance policy, or receive or retain any  
38 premium, or charge in connection with any transaction if: (i) The title  
39 insurer or title agent knows or has reason to believe that the transaction  
40 will constitute controlled business for that title insurer or title agent; and  
41 (ii) 70% or more of the closed title orders of that title insurer or title agent  
42 during the 12 full calendar months immediately preceding the month in  
43 which the transaction takes place is derived from controlled business. The

1 prohibitions contained in this paragraph shall not apply to transactions  
2 involving real estate located in a county that has a population, as shown by  
3 the last preceding decennial census, of 10,000 or less.

4 (h) Within 90 days following the end of each business year, as  
5 established by the title insurer or title agent, each title insurer or title agent  
6 shall file with the department of insurance and any title insurer with which  
7 the title agent maintains an underwriting agreement, a report executed by  
8 the title insurer's or title agent's chief executive officer or designee, under  
9 penalty of perjury, stating the percent of closed title orders originating  
10 from controlled business. The failure of a title insurer or title agent to  
11 comply with the requirements of this section, at the discretion of the  
12 commissioner, shall be grounds for the suspension or revocation of a  
13 license or other disciplinary action, with the commissioner able to mitigate  
14 any such disciplinary action if the title insurer or title agent is found to be  
15 in substantial compliance with competitive behavior as defined by federal  
16 housing and urban development statement of policy 1996-2.

17 (i) (1) No title insurer or title agent may accept any title insurance  
18 order or issue a title insurance policy to any person if it knows or has  
19 reason to believe that such person was referred to it by any producer of  
20 title business or by any associate of such producer, where the producer, the  
21 associate, or both, have a financial interest in the title insurer or title agent  
22 to which business is referred unless the producer has disclosed in writing  
23 to the person so referred the fact that such producer or associate has a  
24 financial interest in the title insurer or title agent, the nature of the  
25 financial interest and a written estimate of the charge or range of charges  
26 generally made by the title insurer or agent for the title services. Such  
27 disclosure shall include language stating that the consumer is not obligated  
28 to use the title insurer or agent in which the referring producer or associate  
29 has a financial interest and shall include the names and telephone numbers  
30 of not less than three other title insurers or agents that operate in the  
31 county in which the property is located. If fewer than three insurers or  
32 agents operate in that county, the disclosure shall include all title insurers  
33 or agents operating in that county. Such written disclosure shall be signed  
34 by the person so referred and must have occurred prior to any commitment  
35 having been made to such title insurer or agent.

36 (2) No producer of title business or associate of such producer shall  
37 require, directly or indirectly, as a condition to selling or furnishing any  
38 other person any loan or extension thereof, credit, sale, property, contract,  
39 lease or service, that such other person shall purchase title insurance of any  
40 kind through any title agent or title insurer if such producer has a financial  
41 interest in such title agent or title insurer.

42 (3) No title insurer or title agent may accept any title insurance order  
43 or issue a title insurance policy to any person it knows or has reason to

1 believe that the name of the title company was pre-printed in the sales  
2 contract, prior to the buyer or seller selecting that title company.

3 (4) Nothing in this paragraph shall prohibit any producer of title  
4 business or associate of such producer from referring title business to any  
5 title insurer or title agent of such producer's or associate's choice; and, if  
6 such producer or associate of such producer has any financial interest in  
7 the title insurer, from receiving income, profits or dividends produced or  
8 realized from such financial interest, ~~so long as if:~~

9 (a) Such financial interest is disclosed to the purchaser of the title  
10 insurance in accordance with paragraphs (i)(1) through (i)(4);

11 (b) the payment of income, profits or dividends is not in exchange for  
12 the referral of business; and

13 (c) the receipt of income, profits or dividends constitutes only a return  
14 on the investment of the producer or associate.

15 (5) Any producer of title business or associate of such producer who  
16 violates the provisions of paragraphs (i)(2) through (i)(4), or any title  
17 insurer or title agent who accepts an order for title insurance knowing that  
18 it is in violation of paragraphs (i)(2) through (i)(4), in addition to any other  
19 action that may be taken by the commissioner of insurance, shall be  
20 subject to a fine by the commissioner in an amount equal to five times the  
21 premium for the title insurance and, if licensed pursuant to K.S.A. 58-3034  
22 et seq., and amendments thereto, shall be deemed to have committed a  
23 prohibited act pursuant to K.S.A. 58-3602, and amendments thereto, and  
24 shall be liable to the purchaser of such title insurance in an amount equal  
25 to the premium for the title insurance.

26 (6) Any title insurer or title agent that is a competitor of any title  
27 insurer or title agent that, subsequent to the effective date of this act, has  
28 violated or is violating the provisions of this paragraph, shall have a cause  
29 of action against such title insurer or title agent and, upon establishing the  
30 existence of a violation of any such provision, shall be entitled, in addition  
31 to any other damages or remedies provided by law, to such equitable or  
32 injunctive relief as the court deems proper. In any such action under this  
33 subsection, the court may award to the successful party the court costs of  
34 the action together with reasonable attorney fees.

35 (7) The commissioner shall also require each title agent to provide  
36 core title services as required by the real estate settlement procedures act.

37 (j) The commissioner shall adopt any rules and regulations necessary  
38 to carry out the provisions of this act.

39 ~~(15)~~(16) *Disclosure of nonpublic personal information.* (a) No person  
40 shall disclose any nonpublic personal information contrary to the  
41 provisions of title V of the Gramm-Leach-Bliley act of 1999-~~6~~, public law  
42 106-102). The commissioner may adopt rules and regulations necessary to  
43 carry out this subsection. Such rules and regulations shall be consistent

1 with and not more restrictive than the model regulation adopted on  
2 September 26, 2000, by the national association of insurance  
3 commissioners entitled "Privacy of consumer financial and health  
4 information regulation".

5 (b) Nothing in this subsection shall be deemed or construed to  
6 authorize the promulgation or adoption of any regulation that preempts,  
7 supersedes or is inconsistent with any provision of Kansas law concerning  
8 requirements for notification of, or obtaining consent from, a parent,  
9 guardian or other legal custodian of a minor relating to any matter  
10 pertaining to the health and medical treatment for such minor.

11 Sec. 2. K.S.A. 2024 Supp. 40-4909 is hereby amended to read as  
12 follows: 40-4909. (a) The commissioner may deny, suspend, revoke or  
13 refuse renewal of any license issued under this act if the commissioner  
14 finds that the applicant or license holder has:

15 (1) Provided incorrect, misleading, incomplete or untrue information  
16 in the license application-;

17 (2) violated *any*:

18 (A) ~~any~~ Provision of chapter 40 of the Kansas Statutes Annotated,  
19 and amendments thereto, or any rules and regulations promulgated  
20 thereunder;

21 (B) ~~any~~ subpoena or order of the commissioner;

22 (C) ~~any~~ insurance law or regulation of another state; or

23 (D) ~~any~~ subpoena or order issued by the regulatory official for  
24 insurance in another state.

25 (3) obtained or attempted to obtain a license under this act through  
26 misrepresentation or fraud-;

27 (4) improperly withheld, misappropriated or converted any moneys or  
28 properties received in the course of doing insurance business-;

29 (5) intentionally misrepresented the provisions, terms and conditions  
30 of an actual or proposed insurance contract or application for insurance-;

31 (6) been convicted of a misdemeanor or felony-;

32 (7) admitted to or been found to have committed any insurance unfair  
33 trade practice or fraud in violation of K.S.A. 40-2404, and amendments  
34 thereto-;

35 (8) used any fraudulent, coercive, or dishonest practice, or  
36 demonstrated any incompetence, untrustworthiness or financial  
37 irresponsibility in the conduct of business in this state or elsewhere-;

38 (9) had an insurance agent license, or its equivalent, denied,  
39 suspended or revoked in any state, district or territory-;

40 (10) forged another person's name to an application for insurance or  
41 to any document related to an insurance transaction-;

42 (11) improperly used notes or any other reference material to  
43 complete an examination for an insurance license issued under this act-;

- 1 (12) knowingly accepted insurance business from an individual who  
2 is not licensed-;
- 3 (13) failed to comply with any administrative or court order imposing  
4 a child support obligation upon the applicant or license holder-;
- 5 (14) failed to pay any state income tax or comply with any  
6 administrative or court order directing payment of state income tax-;
- 7 (15) except as otherwise permitted by law, rebated the whole or any  
8 part of any insurance premium or offered in connection with the  
9 presentation of any contract of insurance any other inducement not  
10 contained in the contract of insurance-;
- 11 (16) made any misleading representation or incomplete comparison  
12 of policies to any person for the purposes of inducing or tending to induce  
13 such person to lapse, forfeit or surrender such person's insurance then in  
14 force-; *and*
- 15 (17) failed to respond to an inquiry from the commissioner within 15  
16 business days, *or failed to respond to an inquiry within 14 calendar days*  
17 *from the commissioner concerning a complaint, as defined in K.S.A. 40-*  
18 *2404, and amendments thereto, or an inquiry related to a particular*  
19 *matter.*
- 20 (b) In addition, the commissioner may deny, suspend, revoke or  
21 refuse renewal of any license issued under this act if the commissioner  
22 finds that the interests of the insurer or the insurable interests of the public  
23 are not properly served under such license.
- 24 (c) (1) When considering whether to deny, suspend, revoke or refuse  
25 to renew the application of an individual who has been convicted of a  
26 misdemeanor or felony, the commissioner shall consider the:
- 27 (A) Applicant's age at the time of the conduct;  
28 (B) recency of the conduct;  
29 (C) reliability of the information concerning the conduct;  
30 (D) seriousness of the conduct;  
31 (E) factors underlying the conduct;  
32 (F) cumulative effect of the conduct or information;  
33 (G) evidence of rehabilitation;  
34 (H) applicant's social contributions since the conduct;  
35 (I) applicant's candor in the application process; and  
36 (J) materiality of any omissions or misrepresentations.
- 37 (2) In determining whether to reinstate or grant to an applicant a  
38 license that has been revoked, the commissioner shall consider the:
- 39 (A) Present moral fitness of the applicant;  
40 (B) demonstrated consciousness by the applicant of the wrongful  
41 conduct and disrepute that the conduct has brought to the insurance  
42 profession;  
43 (C) extent of the applicant's rehabilitation;

- 1 (D) seriousness of the original conduct;
- 2 (E) applicant's conduct subsequent to discipline;
- 3 (F) amount of time that has elapsed since the original discipline;
- 4 (G) applicant's character, maturity and experience at the time of  
5 revocation; and
- 6 (H) applicant's present competence and skills in the insurance  
7 industry.

8 (d) Any action taken under this section that affects any license or  
9 imposes any administrative penalty shall be taken only after notice and an  
10 opportunity for a hearing conducted in accordance with the provisions of  
11 the Kansas administrative procedure act.

12 (e) The license of any business entity may be suspended, revoked or  
13 refused renewal if the insurance commissioner finds that any violation  
14 committed by an individual licensee employed by or acting on behalf of  
15 such business entity was known by or should have been known by one or  
16 more of the partners, officers or managers acting on behalf of the business  
17 entity and:

18 (1) Such violation was not reported to the insurance commissioner by  
19 such business entity; or

20 (2) such business entity failed to take any corrective action.

21 (f) None of the following actions shall deprive the commissioner of  
22 any jurisdiction or right to institute or proceed with any disciplinary  
23 proceeding against such license, ~~to~~ render a decision suspending, revoking  
24 or refusing to renew such license; ~~or to~~ establish and make a record of the  
25 facts of any violation of law for any *of the following* lawful ~~purpose~~  
26 *purposes*:

27 (1) The imposition of an administrative penalty under this section;

28 (2) the lapse or suspension of any license issued under this act by  
29 operation of law;

30 (3) the licensee's failure to renew any license issued under this act; or

31 (4) the licensee's voluntary surrender of any license issued under this  
32 act. No such disciplinary proceeding shall be instituted against any  
33 licensee after the expiration of two years from the termination of the  
34 license.

35 (g) Whenever the commissioner imposes any administrative penalty  
36 or denies, suspends, revokes or refuses renewal of any license pursuant to  
37 subsection (a), any costs incurred as a result of conducting an  
38 administrative hearing authorized under the provisions of this section shall  
39 be assessed against the person who is the subject of the hearing or any  
40 business entity represented by such person who is the party to the matters  
41 giving rise to the hearing. As used in this subsection, "costs" ~~shall include~~  
42 *includes* witness fees, mileage allowances, any costs associated with the  
43 reproduction of documents that become a part of the hearing record and

1 the expense of making a record of the hearing.

2 (h) No person whose license as an agent or broker had been  
3 suspended or revoked shall be employed by any insurance company doing  
4 business in this state either directly, indirectly, as an independent  
5 contractor or otherwise to negotiate or effect contracts of insurance,  
6 suretyship or indemnity or perform any act toward the solicitation of or  
7 transaction of any business of insurance during the period of such  
8 suspension or revocation.

9 (i) In lieu of taking any action under subsection (a), the commissioner  
10 may:

11 (1) Censure the person; or

12 (2) issue an order imposing an administrative penalty up to a  
13 maximum of \$500 for each violation but not to exceed \$2,500 for the same  
14 violation occurring within any six consecutive calendar months from the  
15 date of the original violation unless such person knew or should have  
16 known that the violative act could give rise to disciplinary action under  
17 subsection (a). If such person knew or reasonably should have known the  
18 violative act could give rise to any disciplinary proceeding authorized by  
19 subsection (a), the commissioner may impose a penalty up to a maximum  
20 of \$1,000 for each violation but not to exceed \$5,000 for the same  
21 violation occurring within any six consecutive calendar months from the  
22 date of the imposition of the original administrative penalty.

23 (j) (1) An applicant to whom a license has been denied after a hearing  
24 shall not apply for a license again until after the expiration of a period of  
25 one year from the date of the commissioner's order.

26 (2) A licensee whose license was revoked shall not apply for a license  
27 again until after the expiration of a period of two years from the date of the  
28 commissioner's order.

29 Sec. 3. K.S.A. 2024 Supp. 40-2404 and 40-4909 are hereby repealed.

30 Sec. 4. This act shall take effect and be in force from and after its  
31 publication in the ~~statute book~~ **Kansas register**.