

SENATE BILL No. 85

By Committee on Financial Institutions and Insurance

1-29

1 AN ACT concerning insurance; pertaining to proof of motor vehicle
2 liability insurance; amending K.S.A. 2012 Supp. 8-173, 8-1604, 40-
3 3104 and 40-3118 and repealing the existing sections.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2012 Supp. 8-173 is hereby amended to read as
7 follows: 8-173. (a) An application for registration of a vehicle as provided
8 in article 1 of chapter 8 of the Kansas Statutes Annotated, and amendments
9 thereto, shall not be accepted unless the person making such application
10 shall exhibit:

11 (1) A receipt showing that such person has paid all personal property
12 taxes levied against such person for the preceding year, including taxes
13 upon such vehicle, except that if such application is made before May 11,
14 such receipt need show payment of only one-half the preceding year's tax;
15 or

16 (2) evidence that such vehicle was assessed for taxation purposes by a
17 state agency, or was assessed as stock in trade of a merchant or
18 manufacturer or was exempt from taxation under the laws of this state.

19 (b) An application for registration of a vehicle as provided in article 1
20 of chapter 8 of the Kansas Statutes Annotated, *and amendments thereto*,
21 shall not be accepted if the records of the county treasurer show that the
22 applicant is delinquent and owes personal property taxes levied against the
23 applicant for any preceding year.

24 (c) An original application for registration of a motor vehicle shall
25 not be accepted until the applicant signs a certification, provided by the
26 director of motor vehicles, certifying that the applicant has and will
27 maintain, during the period of registration, the required insurance, self-
28 insurance or other financial security required pursuant to K.S.A. 40-3104,
29 and amendments thereto.

30 (d) An application for registration or renewal of registration of a
31 vehicle shall not be accepted if the applicant is unable to provide proof of
32 the insurance, self-insurance or other financial security required by article
33 31 of chapter 40 of the Kansas Statutes Annotated, *and amendments*
34 *thereto*. Proof of insurance shall be verified by examination of the
35 insurance card or other documentation issued by an insurance company, a
36 certificate of self-insurance issued by the commissioner, a binder of

1 insurance, a certificate of insurance, a motor carrier identification number
2 issued by the state corporation commission, proof of insurance for vehicles
3 covered under a fleet policy, a commercial policy covering more than one
4 vehicle or a policy of insurance required by K.S.A. 40-3104, and
5 amendments thereto, and for vehicles used as part of a drivers education
6 program, a dealership contract and a copy of a motor vehicle liability
7 insurance policy issued to a school district or accredited nonpublic school.
8 Examination of a photocopy ~~or facsimile~~, *facsimile or an image displayed*
9 *on a cellular phone or any other type of portable electronic device* of any
10 of these documents shall suffice for verification of registration or renewal.
11 *Any person to whom such image of proof of insurance, self-insurance or*
12 *other financial security required by article 31 of chapter 40 of the Kansas*
13 *Statutes Annotated, and amendments thereto, is displayed, shall view only*
14 *such image displayed on such cellular phone or other portable electronic*
15 *device. Such person shall be prohibited from viewing any other content or*
16 *information stored on such cellular phone or other portable electronic*
17 *device.* Proof of insurance may also be verified on-line or electronically
18 and the commissioner of insurance may require, by duly adopted rules and
19 regulations, any motor vehicle liability insurance company authorized to
20 do business in this state to provide verification of insurance in that manner.
21 Any motor vehicle liability insurance company which is providing
22 verification of insurance on-line or electronically on the day preceding the
23 effective date of this act may continue to do so in the same manner and
24 shall be deemed to be in compliance with this section.

25 Sec. 2. K.S.A. 2012 Supp. 8-1604 is hereby amended to read as
26 follows: 8-1604. (a) (1) The driver of any vehicle involved in an accident
27 resulting in injury to or death of any person, or damage to any attended
28 vehicle or property, shall give such driver's name, address and the
29 registration number of the vehicle such driver is driving, and upon request
30 shall exhibit such driver's license or permit to drive, the name of the
31 company with which there is in effect a policy of motor vehicle liability
32 insurance covering the vehicle involved in the accident and the policy
33 number of such policy to any person injured in such accident or to the
34 driver or occupant of or person attending any vehicle or other property
35 damaged in such accident, and shall give such information and upon
36 request exhibit such license or permit and the name of the insurer and
37 policy number to any police officer at the scene of the accident or who is
38 investigating the accident.

39 (2) Such driver, insofar as possible, shall immediately make efforts to
40 determine whether any person involved in such accident was injured or
41 killed, and shall render to any person injured in such accident reasonable
42 assistance, including the carrying, or the making of arrangements for the
43 carrying of such person to a physician, surgeon or hospital for medical or

1 surgical treatment if it is apparent that such treatment is necessary, or if
2 such carrying is requested by the injured person.

3 (b) If no police officer is present, the driver of any vehicle involved in
4 such accident, or any occupant of such vehicle 18 years of age or older,
5 shall immediately report such accident, by the quickest available means of
6 communication, to the nearest office of a duly authorized police authority
7 if:

8 (1) There is apparently property damage of \$1,000 or more;

9 (2) any person involved in the accident is injured or killed; or

10 (3) the persons specified in subsection (a) are not present or in
11 condition to receive such information.

12 (c) Unless the insurance company subsequently submits an insurance
13 verification form indicating that insurance was not in force, no person
14 charged with failing to provide the name of such person's insurance
15 company and policy number as required in subsection (a), shall be
16 convicted if such person produces in court, within 10 days of the date of
17 arrest or of issuance of the citation, evidence of financial security for the
18 motor vehicle operated, which was valid at the time of arrest or of issuance
19 of the citation. For the purpose of this subsection, evidence of financial
20 security shall be provided by a policy of motor vehicle liability insurance,
21 an identification card or certificate of insurance issued to the policyholder
22 by the insurer which provides the name of the insurer, the policy number,
23 make and year of the vehicle and the effective and expiration dates of the
24 policy, or a certificate of self-insurance signed by the commissioner of
25 insurance. *Such evidence also may be produced by displaying on a*
26 *cellular phone or other type of portable electronic device evidence of*
27 *financial security required by this subsection. Any person to whom such*
28 *evidence of financial security is displayed shall view only such evidence of*
29 *financial security. Such person shall be prohibited from viewing any other*
30 *content or information stored on such cellular phone or other portable*
31 *electronic devices. Upon the production in court of evidence of financial*
32 *security, the court shall record the information displayed thereon on the*
33 *insurance verification form prescribed by the secretary of revenue,*
34 *immediately forward such form to the department of revenue, and stay any*
35 *further proceedings on the matter pending a request from the prosecuting*
36 *attorney that the matter be set for trial. Upon receipt of such form the*
37 *department shall mail the form to the named insurance company for*
38 *verification that insurance was in force on the date indicated on the form.*
39 *It shall be the duty of insurance companies to notify the department within*
40 *30 calendar days of the receipt of such forms of any insurance that was not*
41 *in force on the date specified. Upon return of any form to the department*
42 *indicating that insurance was not in force on such date, the department*
43 *shall immediately forward a copy of such form to the office of the*

1 prosecuting attorney or the city clerk of the municipality in which such
2 prosecution is pending when the prosecuting attorney is not ascertainable.
3 Receipt of any completed form indicating that insurance was not in effect
4 on the date specified shall be prima facie evidence of failure to provide
5 proof of financial security and violation of this section. A request that the
6 matter be set for trial shall be made immediately following the receipt by
7 the prosecuting attorney of a copy of the form from the department of
8 revenue indicating that insurance was not in force. Any charge hereunder
9 shall be dismissed if no request for a trial setting has been made within 60
10 days of the date evidence of financial security was produced in court.

11 Sec. 3. K.S.A. 2012 Supp. 40-3104 is hereby amended to read as
12 follows: 40-3104. (a) Every owner shall provide motor vehicle liability
13 insurance coverage in accordance with the provisions of this act for every
14 motor vehicle owned by such person, unless such motor vehicle: (1) Is
15 included under an approved self-insurance plan as provided in subsection
16 (f); (2) is used as a driver training motor vehicle, as defined in K.S.A. 72-
17 5015, and amendments thereto, in an approved driver training course by a
18 school district or an accredited nonpublic school under an agreement with
19 a motor vehicle dealer, and such motor vehicle liability insurance coverage
20 is provided by the school district or accredited nonpublic school; (3) is
21 included under a qualified plan of self-insurance approved by an agency of
22 the state in which such motor vehicle is registered and the form prescribed
23 in subsection (b) of K.S.A. 40-3106, and amendments thereto, has been
24 filed; or (4) is expressly exempted from the provisions of this act.

25 (b) An owner of an uninsured motor vehicle shall not permit the
26 operation thereof upon a highway or upon property open to use by the
27 public, unless such motor vehicle is expressly exempted from the
28 provisions of this act.

29 (c) No person shall knowingly drive an uninsured motor vehicle upon
30 a highway or upon property open to use by the public, unless such motor
31 vehicle is expressly exempted from the provisions of this act.

32 (d) (1) Any person operating a motor vehicle upon a highway or upon
33 property open to use by the public shall display, upon demand, evidence of
34 financial security to a law enforcement officer. *Such evidence of financial
35 security which meets the requirements of subsection (e) may be displayed
36 on a cellular phone or any other type of portable electronic device. The
37 law enforcement officer to whom such evidence of financial security is
38 displayed shall view only such evidence of financial responsibility. Such
39 law enforcement officer shall be prohibited from viewing any other content
40 or information stored on such cellular phone or other type of portable
41 electronic device.* The law enforcement officer shall issue a citation to any
42 person who fails to display evidence of financial security upon such
43 demand. The law enforcement officer shall transmit a copy of the

1 insurance verification form prescribed by the secretary of revenue with the
2 copy of the citation transmitted to the court.

3 (2) No citation shall be issued to any person for failure to provide
4 proof of financial security when evidence of financial security meeting the
5 standards of subsection (e) is displayed upon demand of a law enforcement
6 officer. Whenever the authenticity of such evidence is questionable, the
7 law enforcement officer may initiate the preparation of the insurance
8 verification form prescribed by the secretary of revenue by recording
9 information from the evidence of financial security displayed. The officer
10 shall immediately forward the form to the department of revenue, and the
11 department shall proceed with verification in the manner prescribed in the
12 following paragraph. Upon return of a form indicating that insurance was
13 not in force on the date indicated on the form, the department shall
14 immediately forward a copy of the form to the law enforcement officer
15 initiating preparation of the form.

16 (e) Unless the insurance company subsequently submits an insurance
17 verification form indicating that insurance was not in force, no person
18 charged with violating subsection (b), (c) or (d) shall be convicted if such
19 person produces in court, within 10 days of the date of arrest or of issuance
20 of the citation, evidence of financial security for the motor vehicle
21 operated, which was valid at the time of arrest or of issuance of the
22 citation. *Such evidence of financial security may be produced by*
23 *displaying such information on a cellular phone or any other type of*
24 *portable electronic device. Any person to whom such evidence of financial*
25 *security is displayed on a cellular phone or any other type of portable*
26 *electronic device shall be prohibited from viewing any other content or*
27 *information stored on such cellular phone or other type of portable*
28 *electronic device.* For the purpose of this subsection, evidence of financial
29 security shall be provided by a policy of motor vehicle liability insurance,
30 an identification card or certificate of insurance issued to the policyholder
31 by the insurer which provides the name of the insurer, the policy number,
32 make and year of the vehicle and the effective and expiration dates of the
33 policy, or a certificate of self-insurance signed by the commissioner of
34 insurance. Upon the production in court of evidence of financial security,
35 the court shall record the information displayed thereon on the insurance
36 verification form prescribed by the secretary of revenue, immediately
37 forward such form to the department of revenue, and stay any further
38 proceedings on the matter pending a request from the prosecuting attorney
39 that the matter be set for trial. Upon receipt of such form the department
40 shall mail the form to the named insurance company for verification that
41 insurance was in force on the date indicated on the form. It shall be the
42 duty of insurance companies to notify the department within 30 calendar
43 days of the receipt of such forms of any insurance that was not in force on

1 the date specified. Upon return of any form to the department indicating
2 that insurance was not in force on such date, the department shall
3 immediately forward a copy of such form to the office of the prosecuting
4 attorney or the city clerk of the municipality in which such prosecution is
5 pending when the prosecuting attorney is not ascertainable. Receipt of any
6 completed form indicating that insurance was not in effect on the date
7 specified shall be prima facie evidence of failure to provide proof of
8 financial security and violation of this section. A request that the matter be
9 set for trial shall be made immediately following the receipt by the
10 prosecuting attorney of a copy of the form from the department of revenue
11 indicating that insurance was not in force. Any charge of violating
12 subsection (b), (c) or (d) shall be dismissed if no request for a trial setting
13 has been made within 60 days of the date evidence of financial security
14 was produced in court.

15 (f) Any person in whose name more than 25 motor vehicles are
16 registered in Kansas may qualify as a self-insurer by obtaining a certificate
17 of self-insurance from the commissioner of insurance. The certificate of
18 self-insurance issued by the commissioner shall cover such owned vehicles
19 and those vehicles, registered in Kansas, leased to such person if the lease
20 agreement requires that motor vehicle liability insurance on the vehicles be
21 provided by the lessee. Upon application of any such person, the
22 commissioner of insurance may issue a certificate of self-insurance, if the
23 commissioner is satisfied that such person is possessed and will continue
24 to be possessed of ability to pay any liability imposed by law against such
25 person arising out of the ownership, operation, maintenance or use of any
26 motor vehicle described in this subsection. A self-insurer shall provide
27 liability coverage subject to the provisions of subsection (e) of K.S.A. 40-
28 3107, and amendments thereto, arising out of the ownership, operation,
29 maintenance or use of a self-insured motor vehicle in those instances
30 where the lessee or the rental driver, if not the lessee, does not have a
31 motor vehicle liability insurance policy or insurance coverage pursuant to
32 a motor vehicle liability insurance policy or certificate of insurance or such
33 insurance policy for such leased or rented vehicle. Such liability coverage
34 shall be provided to any person operating a self-insured motor vehicle with
35 the expressed or implied consent of the self-insurer.

36 Upon notice and a hearing in accordance with the provisions of the
37 Kansas administrative procedure act, the commissioner of insurance may
38 cancel a certificate of self-insurance upon reasonable grounds. Failure to
39 provide liability coverage or personal injury protection benefits required
40 by K.S.A. 40-3107 and 40-3109, and amendments thereto, or pay any
41 liability imposed by law arising out of the ownership, operation,
42 maintenance or use of a motor vehicle registered in such self-insurer's
43 name, or to otherwise comply with the requirements of this subsection

1 shall constitute reasonable grounds for the cancellation of a certificate of
2 self-insurance. Reasonable grounds shall not exist unless such
3 objectionable activity occurs with such frequency as to indicate a general
4 business practice.

5 Self-insureds shall investigate claims in a reasonably prompt manner,
6 handle such claims in a reasonable manner based on available information
7 and effectuate prompt, fair and equitable settlement of claims in which
8 liability has become reasonably clear.

9 As used in this subsection, "liability imposed by law" means the stated
10 limits of liability as provided under subsection (e) of K.S.A. 40-3107, and
11 amendments thereto.

12 Nothing in this subsection shall preclude a self-insurer from pursuing
13 all rights of subrogation against another person or persons.

14 (g) (1) Any person violating any provision of this section shall be
15 guilty of a class B misdemeanor and shall be subject to a fine of not less
16 than \$300 nor more than \$1,000 or confinement in the county jail for a
17 term of not more than six months, or both such fine and confinement.

18 (2) Any person convicted of violating any provision of this section
19 within three years of any such prior conviction shall be guilty of a class A
20 misdemeanor and shall be subject to a fine of not less than \$800 nor more
21 than \$2,500.

22 (h) In addition to any other penalties provided by this act for failure
23 to have or maintain financial security in effect, the director, upon receipt of
24 a report required by K.S.A. 8-1607 or 8-1611, and amendments thereto, or
25 a denial of such insurance by the insurance company listed on the form
26 prescribed by the secretary of revenue pursuant to subsection (d) of this
27 section, shall, upon notice and hearing as provided by K.S.A. 40-3118, and
28 amendments thereto:

29 (1) Suspend:

30 (A) The license of each driver in any manner involved in the
31 accident;

32 (B) the license of the owner of each motor vehicle involved in such
33 accident, unless the vehicle was stolen at the time of the accident, proof of
34 which must be established by the owner of the motor vehicle. Theft by a
35 member of the vehicle owner's immediate family under the age of 18 years
36 shall not constitute a stolen vehicle for the purposes of this section;

37 (C) if the driver is a nonresident, the privilege of operating a motor
38 vehicle within this state; or

39 (D) if such owner is a nonresident, the privilege of such owner to
40 operate or permit the operation within this state of any motor vehicle
41 owned by such owner; and

42 (2) revoke the registration of all vehicles owned by the owner of each
43 motor vehicle involved in such accident.

1 (i) The suspension or revocation requirements in subsection (h) shall
2 not apply:

3 (1) To the driver or owner if the owner had in effect at the time of the
4 accident an automobile liability policy as required by K.S.A. 40-3107, and
5 amendments thereto, with respect to the vehicle involved in the accident;

6 (2) to the driver, if not the owner of the vehicle involved in the
7 accident, if there was in effect at the time of the accident an automobile
8 liability policy with respect to such driver's driving of vehicles not owned
9 by such driver;

10 (3) to any self-insurer as defined by subsection (u) of K.S.A. 40-
11 3103, and amendments thereto;

12 (4) to the driver or owner of any vehicle involved in the accident
13 which was exempt from the provisions of this act pursuant to K.S.A. 40-
14 3105, and amendments thereto;

15 (5) to the owner of a vehicle described in subsection (a)(2).

16 (j) (1) For the purposes of provisions (1) and (2) of subsection (i) of
17 this section, the director may require verification by an owner's or driver's
18 insurance company or agent thereof that there was in effect at the time of
19 the accident an automobile liability policy as required in this act.

20 (2) Subject to the provisions of subsection (k), any suspension or
21 revocation effected hereunder shall remain in effect until such person:

22 (A) Has filed satisfactory proof of financial security with the director
23 as required by subsection (d) of K.S.A. 40-3118, and amendments thereto;

24 (B) has paid the reinstatement fee herein prescribed; and

25 (C) (i) has been released from liability;

26 (ii) is a party to an action to determine liability pursuant to which the
27 court temporarily stays such suspension pending final disposition of such
28 action;

29 (iii) has entered into an agreement for the payment of damages; or

30 (iv) has been finally adjudicated not to be liable in respect to such
31 accident and evidence of any such fact has been filed with the director.

32 (3) The reinstatement fee shall be \$100 except that if the registration
33 of a motor vehicle of any owner is revoked within one year following a
34 prior revocation of the registration of a motor vehicle of such owner under
35 the provisions of this act such fee shall be \$300.

36 (k) (1) Whenever any person whose license has been suspended or
37 revoked pursuant to this section is involved in an accident and has entered
38 into an agreement with any driver, or such driver's insurer, who has been
39 damaged or whose vehicle has been damaged to pay for such damage and
40 such person defaults on payments under such agreement, the driver or the
41 driver's insurer, as appropriate, shall notify the director within 60 days of
42 the date of default.

43 (2) Upon receipt of the notice of default, the director shall

1 immediately suspend such person's license and registration. If such person
2 is a nonresident, the director shall immediately suspend such nonresident's
3 privilege to operate a motor vehicle in this state.

4 (3) Except as provided in paragraph (4), such person's driver's
5 license, registration and nonresident's operating privilege shall remain so
6 suspended and shall not be renewed, nor shall any such license or
7 registration be thereafter issued in the name of such person, including any
8 such person not previously licensed, unless and until:

9 (A) The director receives notice payments under the agreement
10 referred to in paragraph (1) have been resumed and that payments under
11 such agreement are no longer in default;

12 (B) such person has filed satisfactory proof of financial responsibility
13 with the director as required by subsection (d) of K.S.A. 40-3118, and
14 amendments thereto; and

15 (C) the reinstatement fee required by subsection (j) has been paid.

16 (4) Upon due notice to the director that the conditions of paragraph
17 (3) have been fulfilled, such person may obtain from the director an order
18 restoring such person's driver's license, registration and nonresident's
19 operating privilege to operate a motor vehicle in this state conditioned
20 upon such person's continued compliance with the agreement referred to in
21 paragraph (1).

22 (5) In the event such person fails to make any further payment under
23 the agreement referred to in paragraph (1) when such payment is due, the
24 director, upon receipt of notice of such default, shall immediately suspend
25 the license, registration or nonresident's operating privilege of such person
26 until all payments have been made under the agreement referred to in
27 paragraph (1). No suspension of such person's license, registration or
28 nonresident's privilege to operate a motor vehicle in this state shall be
29 reinstated pursuant to paragraph (4).

30 (l) The provisions of this section shall not apply to motor carriers of
31 property or passengers regulated by the corporation commission of the
32 state of Kansas.

33 (m) The provisions of subsection (d) shall not apply to vehicle
34 dealers, as defined in K.S.A. 8-2401, and amendments thereto, for vehicles
35 being offered for sale by such dealers.

36 Sec. 4. K.S.A. 2012 Supp. 40-3118 is hereby amended to read as
37 follows: 40-3118. (a) No motor vehicle shall be registered or reregistered
38 in this state unless the owner, at the time of registration, has in effect a
39 policy of motor vehicle liability insurance covering such motor vehicle, as
40 provided in this act, or is a self-insurer thereof, or the motor vehicle is
41 used as a driver training motor vehicle, as defined in K.S.A. 72-5015, and
42 amendments thereto, in an approved driver training course by a school
43 district or an accredited nonpublic school under an agreement with a motor

1 vehicle dealer, and such policy of motor vehicle liability insurance is
2 provided by the school district or accredited nonpublic school. As used in
3 this section, the term "financial security" means such policy or self-
4 insurance. The director shall require that the owner certify and provide
5 verification of financial security, in the manner prescribed by K.S.A. 8-
6 173, and amendments thereto, that the owner has such financial security,
7 and the owner of each motor vehicle registered in this state shall maintain
8 financial security continuously throughout the period of registration. In
9 addition, when an owner certifies that such financial security is a motor
10 vehicle liability insurance policy meeting the requirements of this act, the
11 director may require that the owner or owner's insurance company produce
12 records to prove the fact that such insurance was in effect at the time the
13 vehicle was registered and has been maintained continuously from that
14 date. *Such records may be produced by displaying such records on a*
15 *cellular phone or any other type of portable electronic device. Any person*
16 *to whom such records are displayed on such cellular phone or other type*
17 *of portable electronic device shall be prohibited from viewing any other*
18 *content or information stored on such cellular phone or other type of*
19 *portable electronic device.* Failure to produce such records shall be prima
20 facie evidence that no financial security exists with regard to the vehicle
21 concerned. It shall be the duty of insurance companies, upon the request of
22 the director, to notify the director within 30 calendar days of the date of the
23 receipt of such request by the director of any insurance that was not in
24 effect on the date of registration and maintained continuously from that
25 date.

26 (b) Except as otherwise provided in K.S.A. 40-276, 40-276a and 40-
27 277, and amendments thereto, and except for termination of insurance
28 resulting from nonpayment of premium or upon the request for
29 cancellation by the insured, no motor vehicle liability insurance policy, or
30 any renewal thereof, shall be terminated by cancellation or failure to renew
31 by the insurer until at least 30 days after mailing a notice of termination,
32 by certified or registered mail or United States post office certificate of
33 mailing, to the named insured at the latest address filed with the insurer by
34 or on behalf of the insured. Time of the effective date and hour of
35 termination stated in the notice shall become the end of the policy period.
36 Every such notice of termination sent to the insured for any cause
37 whatsoever shall include on the face of the notice a statement that financial
38 security for every motor vehicle covered by the policy is required to be
39 maintained continuously throughout the registration period, that the
40 operation of any such motor vehicle without maintaining continuous
41 financial security therefor is a class B misdemeanor and shall be subject to
42 a fine of not less than \$300 and not more than \$1,000 and that the
43 registration for any such motor vehicle for which continuous financial

1 security is not provided is subject to suspension and the driver's license of
2 the owner thereof is subject to suspension.

3 (c) The director of vehicles shall verify a sufficient number of
4 insurance certifications each calendar year as the director deems necessary
5 to insure compliance with the provisions of this act. The owner or owner's
6 insurance company shall verify the accuracy of any owner's certification
7 upon request, as provided in subsection (a).

8 (d) (1) In addition to any other requirements of this act, the director
9 shall require a person to acquire insurance and for such person's insurance
10 company to maintain on file with the division evidence of such insurance
11 for a period of one year when a person has been convicted in this or
12 another state of any of the violations enumerated in K.S.A. 8-285, and
13 amendments thereto.

14 (2) The director shall also require any driver whose driving privileges
15 have been suspended pursuant to this section to maintain such evidence of
16 insurance as required above.

17 (3) The company of the insured shall immediately mail notice to the
18 director whenever any policy required by this subsection to be on file with
19 the division is terminated by the insured or the insurer for any reason. The
20 receipt by the director of such termination shall be prima facie evidence
21 that no financial security exists with regard to the person concerned.

22 (4) No cancellation notice shall be sent to the director if the insured
23 adds or deletes a vehicle, adds or deletes a driver, renews a policy or is
24 issued a new policy by the same company. No cancellation notice shall be
25 sent to the director prior to the date the policy is terminated if the company
26 allows a grace period for payment until such grace period has expired and
27 the policy is actually terminated.

28 (5) For the purposes of this act, the term "conviction" includes
29 pleading guilty or nolo contendere, being convicted or being found guilty
30 of any violation enumerated in this subsection without regard to whether
31 sentence was suspended or probation granted. A forfeiture of bail, bond or
32 collateral deposited to secure a defendant's appearance in court, which
33 forfeiture has not been vacated, shall be equivalent to a conviction.

34 (6) The requirements of this subsection shall apply whether or not
35 such person owns a motor vehicle.

36 (e) Whenever the director shall receive prima facie evidence, as
37 prescribed by this section, that continuous financial security covering any
38 motor vehicle registered in this state is not in effect, the director shall
39 notify the owner by registered or certified mail or United States post office
40 certificate of mailing that, at the end of 30 days after the notice is mailed,
41 the registration for such motor vehicle and the driving privileges of the
42 owner of the vehicle shall be suspended or revoked, pursuant to such rules
43 and regulations as the secretary of revenue shall adopt, unless within 10

1 days after the notice is mailed: (1) Such owner shall demonstrate proof of
2 continuous financial security covering such vehicle to the satisfaction of
3 the director. *Such proof of continuous financial security may be provided*
4 *by the owner by displaying such proof on a cellular phone or other*
5 *portable electronic device; or (2) such owner shall mail a written request*
6 *which is postmarked within 10 days after the notice is mailed requesting a*
7 *hearing with the director. Any person to whom such proof of continuous*
8 *financial security is displayed on a cellular phone or other portable*
9 *electronic device shall view only such evidence of continuous financial*
10 *security. Such person shall be prohibited from viewing any other content*
11 *or information stored on such cellular phone or other portable electronic*
12 *device. Upon receipt of a timely request for a hearing, the director shall*
13 *afford such person an opportunity for hearing within the time and in the*
14 *manner provided in K.S.A. 8-255, and amendments thereto. If, within the*
15 *ten-day period or at the hearing, such owner is unable to demonstrate proof*
16 *of continuous financial security covering the motor vehicle in question, the*
17 *director shall revoke the registration of such motor vehicle and suspend the*
18 *driving privileges of the owner of the vehicle.*

19 (f) Whenever the registration of a motor vehicle or the driving
20 privileges of the owner of the vehicle are suspended or revoked for failure
21 of the owner to maintain continuous financial security, such suspension or
22 revocation shall remain in effect until satisfactory proof of insurance has
23 been filed with the director as required by subsection (d) and a
24 reinstatement fee in the amount herein prescribed is paid to the division of
25 vehicles. Such reinstatement fee shall be in the amount of \$100 except that
26 if the registration of a motor vehicle of any owner is revoked within one
27 year following a prior revocation of the registration of a motor vehicle of
28 such owner under the provisions of this act such fee shall be in the amount
29 of \$300. The division of vehicles shall remit such fees to the state treasurer
30 in accordance with the provisions of K.S.A. 75-4215, and amendments
31 thereto. Upon receipt of each such remittance, the state treasurer shall
32 deposit the entire amount in the state treasury to the credit of the state
33 highway fund.

34 (g) In no case shall any motor vehicle, the registration of which has
35 been revoked for failure to have continuous financial security, be
36 reregistered in the name of the owner thereof, the owner's spouse, parent
37 or child or any member of the same household, until the owner complies
38 with subsection (f). In the event the registration plate has expired, no new
39 plate shall be issued until the motor vehicle owner complies with the
40 reinstatement requirements as required by this act.

41 (h) Evidence that an owner of a motor vehicle, registered or required
42 to be registered in this state, has operated or permitted such motor vehicle
43 to be operated in this state without having in force and effect the financial

1 security required by this act for such vehicle, together with proof of
2 records of the division of vehicles indicating that the owner did not have
3 such financial security, shall be prima facie evidence that the owner did at
4 the time and place alleged, operate or permit such motor vehicle to be
5 operated without having in full force and effect financial security required
6 by the provisions of this act.

7 (i) Any owner of a motor vehicle registered or required to be
8 registered in this state who shall make a false certification concerning
9 financial security for the operation of such motor vehicle as required by
10 this act, shall be guilty of a class A misdemeanor. Any person, firm or
11 corporation giving false information to the director concerning another's
12 financial security for the operation of a motor vehicle registered or
13 required to be registered in this state, knowing or having reason to believe
14 that such information is false, shall be guilty of a class A misdemeanor.

15 (j) The director shall administer and enforce the provisions of this act
16 relating to the registration of motor vehicles, and the secretary of revenue
17 shall adopt such rules and regulations as may be necessary for its
18 administration.

19 (k) Whenever any person has made application for insurance
20 coverage and such applicant has submitted payment or partial payment
21 with such application, the insurance company, if payment accompanied the
22 application and if insurance coverage is denied, shall refund the unearned
23 portion of the payment to the applicant or agent with the notice of denial
24 of coverage. If payment did not accompany the application to the
25 insurance company but was made to the agent, the agent shall refund the
26 unearned portion of the payment to the applicant upon receipt of the
27 company's notice of denial.

28 (l) For the purpose of this act, "declination of insurance coverage"
29 means a final denial, in whole or in part, by an insurance company or
30 agent of requested insurance coverage.

31 Sec. 5. K.S.A. 2012 Supp. 8-173, 8-1604, 40-3104 and 40-3118 are
32 hereby repealed.

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