

HOUSE BILL No. 2065

By Committee on Insurance

1-21

1 AN ACT concerning insurance; relating to nonprofit dental service
2 corporations; subscription agreements; disbursements; amending
3 K.S.A. 40-19a11 and repealing the existing section.
4

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

6 Section 1. K.S.A. 40-19a11 is hereby amended to read as follows: 40-
7 19a11. (a) No corporation subject to the provisions of this act shall during
8 any one year disburse more than ~~five percent (5%)~~ 5% of the aggregate
9 amount of the payments received ~~from subscribers pursuant to K.S.A. 40-~~
10 ~~19a02, and amendments thereto,~~ during that year as expenditures for ~~the~~
11 ~~soliciting of subscribers solicitation,~~ except that during the first year after
12 the issuance of a permit, such corporation may so disburse not more than
13 ~~twenty percent (20%)~~ 20% of such amount, during the second year not
14 more than ~~fifteen percent (15%)~~ 15%, and during the third year not more
15 than ~~ten percent (10%)~~ 10%.

16 (b) No such corporation shall, during any one year, disburse more
17 than ~~twelve percent (12%)~~ 12% of the aggregate amount of the payments
18 received ~~from subscribers pursuant to K.S.A. 40-19a02, and amendments~~
19 ~~thereto,~~ during that year as administrative expenses, except that during the
20 first two years after the issuance of the permit, such corporation may
21 disburse not more than ~~twenty percent (20%)~~ 20% of the payments
22 received ~~from subscribers pursuant to K.S.A. 40-19a02, and amendments~~
23 ~~thereto.~~ The term, "administrative expenses," as used in this section, shall
24 include all expenditures for nonprofessional services and, in general, all
25 expenses not directly connected with the furnishing of the benefits
26 specified in this act, but not including expenses referred to in subsection
27 (a) hereof.

28 Sec. 2. K.S.A. 40-19a11 is hereby repealed.

29 Sec. 3. This act shall take effect and be in force from and after its
30 publication in the statute book.