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MEMORANDUM

To: House Committee on Insurance

From: Jason Thompson, Senior Assistant Revisor of Statutes

Date: February 9, 2017

Subject: Bill Brief for HB 2233

HB 2233 amends the definition of service contract to include certain motor vehicle-related contracts, exempting such contracts from regulation as insurance.

The bill amends K.S.A. 40-201a, which provides that the marketing, sale, offering for sale, issuance, making, proposing to make and administration of a service contract shall not be construed to be the business of insurance and shall be exempt from regulation as insurance. The bill would amend subsection (b) to provide that a service contract may also include additional provisions for incidental payment of indemnity under limited circumstances, including towing, rental and emergency road service. The bill would also specify that the definition of service contract includes several motor vehicle-related contracts listed in subsection (b)(4).