

HOUSE BILL No. 2093

By Committee on Insurance

1-19

1 AN ACT concerning insurance; relating to certain group-funded insurance
2 pools; discontinuing payments paid to the group-funded pools fee fund
3 and the group-funded workers' compensation fee fund; transferring
4 such balances and abolishing such funds; establishing the group-funded
5 pools refund fund; refunding the balance thereof and abolishing such
6 fund on July 1, 2024; amending K.S.A. 44-588 and repealing the
7 existing section; also repealing K.S.A. 12-2623 and 44-587.
8

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

10 New Section 1. (a) There is hereby established in the state
11 treasury the group-funded pools refund fund.

12 (b) (1) Moneys in the group-funded pools refund fund shall be used
13 only for the purpose of refunding entities that have paid into the group-
14 funded pools fee fund, pursuant to K.S.A. 12-2623, prior to its repeal, and
15 the group-funded workers' compensation fee fund, pursuant to K.S.A. 44-
16 587, prior to its repeal.

17 (2) Refunds shall be distributed on a pro-rata basis, based upon
18 premium taxes paid by each entity in the 2022 fiscal year.

19 (3) All expenditures from the group-funded pools refund fund shall
20 be made in accordance with appropriations acts upon warrants of the
21 director of accounts and reports issued pursuant to vouchers approved by
22 the commissioner of insurance or the commissioner's designee.

23 (c) On July 1, 2023:

24 (1) The director of accounts and reports shall transfer all moneys in
25 the group-funded pools fee fund, established pursuant to K.S.A. 12-2623,
26 prior to its repeal, and the group-funded workers' compensation fee fund,
27 established pursuant to K.S.A. 44-587, prior to its repeal, to the group-
28 funded pools refund fund;

29 (2) all liabilities of the group-funded pools fee fund and the group-
30 funded workers' compensation fee fund are hereby transferred to and
31 imposed on the group-funded pools refund fund; and

32 (3) the group-funded pools fee fund and the group-funded workers'
33 compensation fee fund are hereby abolished.

34 (d) On July 1, 2024, the group-funded pools refund fund is hereby
35 abolished.

36 Sec. 2. K.S.A. 44-588 is hereby amended to read as follows: 44-588.

1 ~~In addition to the fees required to be paid in K.S.A. 44-587, and~~
2 ~~amendments thereto, and~~ As a condition precedent to the continuation of
3 the certificate of authority provided in this act, all group-funded workers'
4 compensation funds shall pay ~~no~~ *not* later than 90 days after the end of
5 each fiscal year a tax upon the annual Kansas gross premium collected by
6 the pool at the rate of 1% per annum applied to the collective premium
7 relating to all Kansas members of the pool for the preceding fiscal year. In
8 the computation of the tax, all pools shall be entitled to deduct any annual
9 Kansas gross premiums returned on account of cancellation or dividends
10 returned to members of such pools or expenditures used for the purchase
11 of specific and aggregate excess insurance, as provided in ~~subsection (a) of~~
12 K.S.A. 44-582(a), and amendments thereto.

13 Sec. 3. K.S.A. 12-2623, 44-587 and 44-588 are hereby repealed.

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