

KANSAS OFFICE of
REVISOR of STATUTES

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MEMORANDUM

To: House Committee on Insurance
From: Office of Revisor of Statutes
Date: March 6, 2023
Subject: Bill Brief, SB 15

SB 15 is the Senate version of HB 2097. The bill amends K.S.A. 40-247, pertaining to penalties that an agent or broker would face for failing to pay premiums that are held in trust over to the insurers who make the insurance contracts for which the premiums were collected.

Under current law, the failure of an agent or broker to pay premiums owed (less commissions or deductions) to an insurer after written demand has been made is considered prima facie evidence¹ that the agent or broker has used or applied the premium for a purpose other than paying such moneys over to the company. Such failure would then subject the agent or broker to the penalties listed in subsection (b).

SB 15 would remove the requirement of the written demand in establishing prima facie evidence.

The Senate Committee of the Whole passed SB 15 unanimously on February 9, 2023.

¹ Evidence sufficient to establish a fact or to raise a presumption of fact unless rebutted.