

SENATE BILL No. 121

By Committee on Financial Institutions and Insurance

1-30

Proposed Amendment to SB 121
For Senate Committee on Financial Institutions and Insurance
Prepared by Eileen Ma
Office of Revisor of Statutes
February 11, 2025

1 AN ACT concerning insurance; relating to the regulation thereof;
2 authorizing the commissioner of insurance to select and announce the
3 version of certain instructions, calculations and documents in effect for
4 the upcoming calendar year and cause such announcement to be
5 published in the Kansas register; allowing certain life insurers to follow
6 health financial reports; adopting certain provisions from the national
7 association of insurance commissioners holding company system
8 regulatory act relating to group capital calculations and liquidity stress
9 testing; amending ~~K.S.A. 40-2d01, 40-3302, 40-3305, 40-3306, 40-~~
10 ~~3307 and 40-3308 and K.S.A. 2024 Supp. 40-2c01 and repealing the~~
11 ~~existing sections; also repealing K.S.A. 40-249 and 40-2c29.~~

exempting certain entities from state regulation as health benefit plans;

K.S.A. 40-202, 40-2d01, 40-3302, 40-3305, 40-3306, 40-3307, 40-3308
and 40-4602 and K.S.A. 40-2c01 and repealing the existing sections;
also repealing K.S.A. 40-249 and 40-2c29.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 New Section 1. (a) The commissioner is hereby authorized to select
15 and announce the version of insurance calculations, instructions
16 promulgated by the NAIC or other documents required by the NAIC that
17 shall be in effect for the next calendar year. Not later than December 1 of
18 each year, the commissioner shall cause such announcement to be
19 published in the Kansas register.

20 (b) Calculations and instructions include, but are not limited to, risk-
21 based capital instructions, as used in K.S.A. 40-2c01, and amendments
22 thereto, risk-based capital managed care instructions, as used in K.S.A.
23 40-2d01, and amendments thereto, and group capital calculation
24 instructions, as used in K.S.A. 40-3302, and amendments thereto.

Insert K.S.A. 40-202 from attachment
here as Sec. 2 and redesignating
sections accordingly.

25 Sec. 2. ~~K.S.A. 2024 Supp. 40-2c01~~ is hereby amended to read as
26 follows: 40-2c01. As used in this act:

27 (a) "Adjusted RBC report" means an RBC report that has been
28 adjusted by the commissioner in accordance with K.S.A. 40-2c04, and
29 amendments thereto.

30 (b) "Corrective order" means an order issued by the commissioner
31 specifying corrective actions that the commissioner has determined are
32 required to address an RBC level event.

33 (c) "Domestic insurer" means any insurance company or risk
34 retention group that is licensed and organized in this state.

35 (d) "Foreign insurer" means any insurance company or risk retention
36 group not domiciled in this state that is licensed or registered to do

1 *publish announcements in a written publication if the sole purpose of the*
2 *announcement is to rebut the materially false statement.*

3 (i) The provisions of this section shall not be subject to the provisions
4 of K.S.A. 45-229, and amendments thereto.

5 Sec. 9. ~~K.S.A. 40-249, 40-2c29, 40-2d01, 40-3302, 40-3305, 40-~~
6 ~~3306, 40-3307 and 40-3308 and K.S.A. 2024 Supp. 40-2c01 are hereby~~
7 ~~repealed.~~

8 Sec. 10. This act shall take effect and be in force from and after its
9 publication in the statute book.

Insert K.S.A. 40-4602 from
attachment here as Sec. 10

Sec. 11. K.S.A. 40-202, 40-249, 40-2c29, 40-2d01, 40-3302, 40-3305,
40-3306, 40-3307, 40-3308 and 40-4602 and K.S.A. 2024 Supp. 40-2c01
are hereby repealed.

Sec. 2. K.S.A. 40-202 is hereby amended to read as follows: 40-202. Nothing contained in this code shall apply to:

(a) Grand or subordinate lodges of any fraternal benefit society which admits to membership only persons engaged in one or more hazardous occupations in the same or similar line of business or to fraternal benefit societies as defined in and organized under article 7 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, unless they be expressly designated;

(b) the employees of a particular person, firm, or corporation;

(c) mercantile associations which simply guarantee insurance to each other in the same lines of trade and do not solicit insurance from the general public;

(d) the Swedish mutual aid association of Rapp, Osage county, Kansas;

(e) the Scandia mutual protective insurance company, of Chanute, Kansas;

(f) the Seneca and St. Benedict mutual fire insurance company of Nemaha county, Kansas;

(g) the mutual insurance system practiced in the Mennonite church, in accordance with an old custom, either by the congregation themselves or by special associations, of its members in Kansas;

(h) the Kansas state high-school activities association;

(i) the mutual aid association of the church of the brethren; ~~or~~

(j) a voluntary noncontractual mutual aid arrangement whereby the needs of participants are announced and accommodated through subscriptions to a monthly publication; or

(k) a self-funded health plan established or maintained for its employees by the state or a subdivision of the state, a school district, any public authority, or by a county or city government or any political subdivision, agency or instrumentality thereof; or

(l) a self-funded health plan established or maintained for its employees by a church or by a convention or association of churches that is exempt from tax under section 501 of the internal revenue code.

Sec. 10 K.S.A. 40-4602 is hereby amended to read as follows: 40-4602. As used in this act:

(a) "Emergency medical condition" means the sudden and, at the time, unexpected onset of a health condition that requires immediate medical attention, where failure to provide medical attention would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's health in serious jeopardy.

(b) "Emergency services" means ambulance services and health care items and services furnished or required to evaluate and treat an emergency medical condition, as directed or ordered by a physician.

(c) "Health benefit plan" means any hospital or medical expense policy, health, hospital or medical service corporation contract, a plan provided by a municipal group-funded pool, a policy or agreement entered into by a health insurer or a health maintenance organization contract offered by an employer or any certificate issued under any such policies, contracts or plans. "Health benefit plan" does not include policies or certificates covering only accident, credit, dental, disability income, long-term care, hospital indemnity, medicare supplement, specified disease, vision care, coverage issued as a supplement to liability insurance, insurance arising out of a workers compensation or similar law, automobile medical-payment insurance, [a self-funded health plan established or maintained for its employees by the state or a subdivision of the state, a school district, any public authority or by a county or city government or any political subdivision, agency or instrumentality thereof, a self-funded health plan established or maintained for its employees by a church or by a convention or association of churches that is exempt from tax under section 501 of the internal revenue code](#) or insurance under which benefits are payable with or without regard to fault and ~~which~~ [that](#) is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(d) "Health insurer" means any insurance company, nonprofit medical and hospital service corporation, municipal group-funded pool, fraternal benefit society, health maintenance organization, or any other entity which offers a health benefit plan subject to the Kansas Statutes Annotated.

(e) "Insured" means a person who is covered by a health benefit plan.

(f) "Participating provider" means a provider who, under a contract with the health insurer or with its contractor or subcontractor, has agreed to provide one or more health care services to insureds with an expectation of receiving payment, other than coinsurance, copayments or deductibles, directly or indirectly from the health insurer.

(g) "Provider" means a physician, hospital or other person which is licensed, accredited or certified to perform specified health care services.

(h) "Provider network" means those participating providers who have entered into a contract or agreement with a health insurer to provide items or health care services to individuals covered by a health benefit plan offered by such health insurer.

(i) "Physician" means a person licensed by the state board of healing arts to practice medicine and surgery.