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MEMORANDUM

To: Chair Dietrich and the Senate Committee on Financial Institutions and Insurance

From: Office of Revisor of Statutes

Date: February 26, 2025

Subject: **HB 2044: Requiring that third party administrators maintain separate fiduciary accounts for individual payors and not contain funds collected or held on behalf of multiple payors and disclose to the commissioner of insurance any bankruptcy petition filed by or on behalf of such administrator.**

HB 2044 is the House version of SB 21.

HB 2044 requires that the administrator maintain a separate fiduciary account for each payor and that there be no co-mingling of funds between each payor and other funds held by or collected on behalf of other payors. The bill also requires that an administrator immediately disclose to the commissioner any bankruptcy petition filed by or on behalf of the administrator, pursuant to chapter 11 or chapter 9 of the U.S. bankruptcy code.

The House Committee on Insurance passed the bill out of committee with no amendments and the bill passed the House Committee of the Whole on February 7, 2025, on a vote of 105-9.