

Session of 2025

## HOUSE BILL No. 2087

By Committee on Insurance

Requested by Dan Murray on behalf of the Kansas Association of Insurance Agents

1-23

1 AN ACT concerning insurance; relating to nonadmitted insurers; requiring  
2 the commissioner of insurance to maintain a list of eligible nonadmitted  
3 insurers; authorizing certain nonadmitted insurers to transact business  
4 in Kansas with vehicle dealers and to provide excess coverage  
5 insurance on Kansas risks; specifying requirements and conditions  
6 therefor; amending K.S.A. 8-2405, 40-246b and 40-246e and repealing  
7 the existing sections.  
8

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

10 Section 1. K.S.A. 8-2405 is hereby amended to read as follows: 8-  
11 2405. No dealer's license shall be issued or renewed unless the applicant or  
12 holder of the license shall have on file with the division an ~~approved~~  
13 insurance policy, issued by an insurance carrier authorized to transact  
14 business within the state of Kansas *or issued by an eligible nonadmitted*  
15 *insurer pursuant to K.S.A. 40-246e, and amendments thereto.* The term of  
16 ~~the~~ such policy shall be continuous and shall remain in full force and effect  
17 until canceled under proper notice. All policies ~~must~~ *shall* be issued in the  
18 name of the holder or applicant for the vehicle dealer's license and shall  
19 provide public liability and property damage insurance for the operation of  
20 any vehicle by prospective purchasers, owned or being offered for sale by  
21 the dealer when being operated by the owner or seller, the seller's agent,  
22 servants, employees, prospective customers or other persons. The limits of  
23 liability shall correspond to the amount required by law in this state for  
24 bodily injury or death of any one person, bodily injury or death in any one  
25 accident and property damage. Such insurance, *when issued by an*  
26 *authorized insurer,* may not be cancelled unless 30 days' notice by the  
27 insurance carrier has been given in writing to the director. Upon the  
28 effective date of cancellation of any insurance policy required under this  
29 section, the license to engage in business as a dealer shall be void.

30 Sec. 2. K.S.A. 40-246b is hereby amended to read as follows: 40-  
31 246b. (a) Upon receipt of a proper application, the commissioner of  
32 insurance may issue an excess lines coverage license to any licensed  
33 property and casualty agent of this state or any other state. Any agent so  
34 licensed may negotiate for insureds whose home state is this state, the  
35 types of contracts of fire insurance enumerated in K.S.A. 40-901, and

1 equitable payment of just losses and claims in this state; or  
2 ~~(f) the~~(f) insurer encourages, promotes or rewards an agent to violate  
3 the provisions of K.S.A. 40-246b, and amendments thereto.

4 *(c) Notwithstanding its inclusion on the list, a nonadmitted insurer*  
5 *shall be eligible to place insurance in accordance with K.S.A. 40-246b,*  
6 *and amendments thereto, if such insurer meets the eligibility requirements*  
7 *of 15 U.S.C. § 8204, as in effect on July 1, 2025.*

8 *(d) There shall be no liability on the part of and no cause of action of*  
9 *any nature shall arise against the commissioner, the commissioner's*  
10 *employees, or the state of Kansas as a result of any insurer's name*  
11 *appearing or not appearing on the list required by this section if such list is*  
12 *constructed and maintained in good faith and without malice.*

13 Sec. 4. K.S.A. 8-2405, 40-246b and 40-246e are hereby repealed.

14 Sec. 5. This act shall take effect and be in force from and after its  
15 publication in the ~~statute book~~.

Kansas register

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