

## HOUSE BILL No. 2519

By Committee on Judiciary

Requested by Representative Humphries on behalf of the Office of Revisor of  
Statutes pursuant to K.S.A. 45-229

1-22

AN ACT concerning the Kansas open records act (KORA); relating to public records; continuing in existence certain exceptions to the disclosure thereof; amending K.S.A. 8-2,158, 40-221b and 41-353 and K.S.A. 2025 Supp. 22a-243, 45-229 and 75-782 and repealing the existing sections.

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

Section 1. K.S.A. 8-2,158 is hereby amended to read as follows: 8-2,158. (a) Not later than July 1, 2022, the division of vehicles shall maintain in its files a record of the name, address and telephone number of each individual that the holder of a valid driver's license, instruction permit or non-driver's identification card, as provided in K.S.A. 8-1324, and amendments thereto, authorizes to be contacted in the event that the holder is injured or dies in a vehicular accident or another emergency situation.

(b) (1) A record maintained by the division under subsection (a) shall be confidential and shall not be subject to the provisions of the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto. ~~The provisions of this subsection shall expire on July 1, 2026, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2026.~~

(2) Upon request, such record may be disclosed only:

(A) To a law enforcement officer, as defined by K.S.A. 74-5602, and amendments thereto, in this or another state; and

(B) for the purpose, as applicable, of making contact with a named individual to report the injury to or death of the holder of the driver's license, instruction permit or non-driver's identification card.

(c) An application for an original, renewal or duplicate driver's license, instruction permit or non-driver's identification card shall:

(1) Be designed to allow, but not require, the applicant to provide the name, address and telephone number of not more than two individuals to be contacted if the applicant is injured or dies in a circumstance described by subsection (a); and

(2) include a statement that describes the confidential nature of the information and states that, by providing the division with the information,

1 the applicant consents to the limited disclosure and use of the information.

2 (d) The division shall establish and maintain on the division's website  
3 forms and procedures that the holder of a driver's license, instruction  
4 permit or non-driver's identification card may use to request that the  
5 division:

6 (1) Add specific emergency contact information described in  
7 subsection (a) to the appropriate file maintained by the division; or

8 (2) amend or delete emergency contact information the holder  
9 previously provided to the division.

10 (e) The forms and procedures established and maintained under  
11 subsection (d) shall:

12 (1) Comply with the requirements of subsection (c); and

13 (2) allow the holder of a driver's license, instruction permit or non-  
14 driver's identification card, or an authorized agent of such holder, to add,  
15 amend or delete information described by subsection (d) by either:

16 (A) Submitting an electronic form on the division's website; or

17 (B) delivering or mailing a paper form to the division.

18 (f) Subsection (b) shall not prohibit the division from disclosing  
19 information to the holder of a driver's license, instruction permit or non-  
20 driver's identification card, or such holder's authorized agent, or as  
21 otherwise provided in K.S.A. 74-2012, and amendments thereto.

22 Sec. 2. K.S.A. 2025 Supp. 22a-243 is hereby amended to read as  
23 follows: 22a-243. (a) There is hereby established a state child death review  
24 board, which shall be composed of:

25 (1) One member appointed by each of the following officers to  
26 represent the officer's agency: The attorney general, the director of the  
27 Kansas bureau of investigation, the secretary for children and families, the  
28 secretary of health and environment and the commissioner of education;

29 (2) four members appointed by the state board of healing arts, one of  
30 whom shall be a district coroner and three of whom shall be physicians  
31 licensed to practice medicine and surgery, one specializing in pathology  
32 and two specializing in pediatrics;

33 (3) one person appointed by the attorney general to represent  
34 advocacy groups that focus attention on child abuse awareness and  
35 prevention; and

36 (4) one county or district attorney appointed by the Kansas county  
37 and district attorneys association.

38 (b) The chairperson of the state review board shall be the member  
39 appointed by the attorney general to represent the office of the attorney  
40 general.

41 (c) The state child death review board shall be within the office of the  
42 attorney general as a part thereof. All budgeting, purchasing and related  
43 management functions of the board shall be administered under the

1 direction and supervision of the attorney general. All vouchers for  
2 expenditures and all payrolls of the board shall be approved by the  
3 chairperson of the board and by the attorney general. The state review  
4 board shall establish and maintain an office in Topeka.

5 (d) The state review board shall meet at least annually to review all  
6 reports submitted to the board. The chairperson of the state review board  
7 may call a special meeting of the board at any time to review any report of  
8 a child death.

9 (e) When informed of a child death, the state review board shall  
10 review all child deaths of:

11 (1) Kansas residents who are less than 18 years of age, regardless of  
12 where such death occurred; and

13 (2) non-Kansas residents who are less than 18 years of age if such  
14 death occurred in Kansas.

15 (f) Within the limits of appropriations therefor, the state review board  
16 shall appoint an executive director who shall be in the unclassified service  
17 of the Kansas civil service act and shall receive an annual salary fixed by  
18 the state review board.

19 (g) Within the limits of appropriations therefor, the state review board  
20 may employ other persons who shall be in the classified service of the  
21 Kansas civil service act.

22 (h) Members of the state review board may receive compensation,  
23 subsistence allowances, mileage and expenses as provided by K.S.A. 75-  
24 3223, and amendments thereto, for attending meetings or subcommittee  
25 meetings of the board. Compensation, subsistence allowances, mileage and  
26 expenses shall be approved by the chairperson of the state review board  
27 and the attorney general.

28 (i) The state review board shall develop a protocol to be used by the  
29 state review board. The protocol shall include written guidelines for  
30 coroners to use in identifying any suspicious deaths, procedures to be used  
31 by the board in investigating child deaths, methods to ensure coordination  
32 and cooperation among all agencies involved in child deaths and  
33 procedures for facilitating prosecution of perpetrators when it appears the  
34 cause of a child's death was from abuse or neglect. The protocol shall be  
35 adopted by the state review board by rules and regulations.

36 (j) The state review board shall submit an annual report to the  
37 governor and the legislature on or before October 1 of each year,  
38 commencing October 1993. Such report shall include the findings of the  
39 board regarding reports of child deaths, the board's analysis and the board's  
40 recommendations for improving child protection, including  
41 recommendations for modifying statutes, rules and regulations, policies  
42 and procedures.

43 (k) Information acquired by, and records of, the state review board

1 shall be confidential, shall not be disclosed and shall not be subject to  
2 subpoena, discovery or introduction into evidence in any civil or criminal  
3 proceeding, except that the state review board or the board's designee may  
4 disclose such information and records to:

5 (1) Any member of the legislature or a legislative committee that has  
6 legislative responsibility of the enabling or appropriating legislation, if  
7 such member or committee is carrying out the official functions of such  
8 member or committee, and if any such committee recesses into a closed or  
9 executive meeting pursuant to K.S.A. 75-4319(a), and amendments  
10 thereto, and has taken appropriate steps to preserve its privacy;

11 (2) any person or entity contracting with the state review board, if the  
12 board has determined that disclosure of such information and records is  
13 essential for completion of the contract, and the board has taken  
14 appropriate steps to preserve confidentiality;

15 (3) any person or entity, if the information and records being  
16 disclosed are statistics or conclusions of the state review board of the same  
17 type included in its annual report pursuant to subsection (j);

18 (4) any law enforcement agency of the state or any political  
19 subdivision thereof, if the state review board determines that the  
20 information and records being disclosed were not previously available to  
21 such law enforcement agency for the investigation of the cause of the  
22 child's death; and:

23 (A) The board determines that the cause of the child's death was from  
24 abuse or neglect; or

25 (B) the board does not determine that the child's death was from  
26 abuse or neglect and has knowledge of a law enforcement investigation  
27 based on an official offense report as required in K.S.A. 21-2501a, and  
28 amendments thereto, of abuse or neglect involving the death of a child;

29 (5) any county or district attorney, if the state review board  
30 determines that the information and records being disclosed were not  
31 previously available to such county or district attorney for the prosecution  
32 of any crimes related to the cause of the child's death; and:

33 (A) The board determines that the cause of the child's death was from  
34 abuse or neglect; or

35 (B) the board does not determine that the child's death was from  
36 abuse or neglect and has knowledge of a law enforcement investigation  
37 based on an official offense report as required in K.S.A. 21-2501a, and  
38 amendments thereto, of abuse or neglect involving the death of a child;

39 (6) (A) any entity established by a city or county for the express  
40 purpose of providing a local review of child deaths if the information and  
41 records being disclosed are related to a child's death in an instance when:

42 (i) Such death occurred in such city or county; or

43 (ii) such child was a resident of such city or county; *and*

1       ~~(B) the provisions of this paragraph shall expire on July 1, 2026,~~  
2 ~~unless the legislature reviews and reenacts such provisions prior to July 1,~~  
3 ~~2026; and~~

4       ~~(C)~~ the joint committee on child welfare system oversight shall  
5 review the provisions of this paragraph pursuant to K.S.A. 46-3901, and  
6 amendments thereto;

7       (7) any licensing body as defined by K.S.A. 74-146, and amendments  
8 thereto, if:

9       (A) The information and records being disclosed are related to a  
10 disciplinary complaint against a person licensed by such licensing body;

11       (B) any member of the state review board is under a professional  
12 obligation to make a disciplinary complaint against a person licensed by  
13 such licensing body; or

14       (C) a person licensed by such licensing body may have caused or  
15 contributed to the child's death;

16       (8) a governmental agency or an organization that has a federalwide  
17 assurance (FWA) for the protection of human subjects in good standing  
18 with the United States department of health and human services officer for  
19 human research protections, if:

20       (A) The agency or organization provides documentation that an  
21 institutional review board designated in the FWA has reviewed the  
22 organization's research proposal;

23       (B) personally identifiable information is redacted from the  
24 disclosure;

25       (C) the disclosure is only for the purpose of health or education; and

26       (D) the agency or organization requires all persons granted access to  
27 the disclosed information and records to sign a confidentiality agreement  
28 prior to receipt of the disclosed information and records;

29       (9) any person or entity, if the information and records being  
30 disclosed are statistics or conclusions of the state review board and  
31 provided for the purpose of procuring and maintaining financial grants;  
32 and

33       (10) the governor and legislature, if the information and records being  
34 disclosed are statistics or conclusions of the state review board and  
35 provided for the purpose of supplementing the state review board's annual  
36 report.

37       (l) The state review board may adopt rules and regulations as  
38 necessary to carry out the provisions of K.S.A. 22a-241 through 22a-244,  
39 and amendments thereto.

40       Sec. 3. K.S.A. 40-221b is hereby amended to read as follows: 40-  
41 221b. (a) *Purpose*. The actions and information required by this section are  
42 declared to be necessary and appropriate in the public interest and for the  
43 protection of the ceding insurers in this state.

1 (b) *Severability*. If any provision of this section, or the application of  
2 the provision to any person or circumstance, is held invalid, the remainder  
3 of the act, and the application of the provision to persons or circumstances  
4 other than those to which it is held invalid, shall not be affected.

5 (c) *Credit for reinsurance – reinsurer licensed in this state*. Pursuant  
6 to K.S.A. 40-221a(a), and amendments thereto, the commissioner shall  
7 allow credit for reinsurance ceded by a domestic insurer to an assuming  
8 insurer that was licensed in this state as of any date on which statutory  
9 financial statement credit for reinsurance is claimed.

10 (d) *Credit for reinsurance – accredited reinsurers*. (1) Pursuant to  
11 K.S.A. 40-221a(a)(2), and amendments thereto, the commissioner shall  
12 allow credit for reinsurance ceded by a domestic insurer to an assuming  
13 insurer that is accredited as a reinsurer in this state as of the date on which  
14 statutory financial statement credit for reinsurance is claimed. An  
15 accredited reinsurer shall:

16 (A) File a properly executed form ar-1 in accordance with the  
17 instructions and as prescribed and adopted by the national association of  
18 insurance commissioners and the commissioner of insurance as evidence  
19 of its submission to this state's jurisdiction and to this state's authority to  
20 examine its books and records;

21 (B) file with the commissioner a certified copy of a certificate of  
22 authority or other acceptable evidence that it is licensed to transact  
23 insurance or reinsurance in at least one state, or, in the case of a United  
24 States branch of an alien assuming insurer, is entered through and licensed  
25 to transact insurance or reinsurance in at least one state;

26 (C) file annually with the commissioner a copy of its annual  
27 statement filed with the insurance department of its state of domicile or, in  
28 the case of an alien assuming insurer, with the state through which it is  
29 entered and in which it is licensed to transact insurance or reinsurance, and  
30 a copy of its most recent audited financial statement; and

31 (D) maintain a surplus as regards policyholders in an amount not less  
32 than \$20,000,000, or obtain the affirmative approval of the commissioner  
33 upon a finding that it has adequate financial capacity to meet its  
34 reinsurance obligations and is otherwise qualified to assume reinsurance  
35 from domestic insurers.

36 (2) If the commissioner determines that the assuming insurer has  
37 failed to meet or maintain any of these qualifications, the commissioner  
38 may, upon written notice and opportunity for hearing, suspend or revoke  
39 the accreditation. Credit shall not be allowed a domestic ceding insurer  
40 under this section if the assuming insurer's accreditation has been revoked  
41 by the commissioner, or if the reinsurance was ceded while the assuming  
42 insurer's accreditation was under suspension by the commissioner.

43 (e) *Credit for reinsurance – reinsurer domiciled in another state*. (1)

1 Pursuant to K.S.A. 40-221a(a)(3), and amendments thereto, the  
2 commissioner shall allow credit for reinsurance ceded by a domestic  
3 insurer to an assuming insurer that, as of any date on which statutory  
4 financial statement credit for reinsurance is claimed:

5 (A) Is domiciled in or, in the case of a United States branch of an  
6 alien assuming insurer, is entered through, a state that employs standards  
7 regarding credit for reinsurance substantially similar to those applicable  
8 under K.S.A. 40-221a, and amendments thereto, and this section;

9 (B) maintains a surplus as regards policyholders in an amount not less  
10 than \$20,000,000; and

11 (C) files a properly executed form ar-1, in accordance with the  
12 instructions and as prescribed and adopted by the national association of  
13 insurance commissioners and the commissioner of insurance, with the  
14 commissioner as evidence of its submission to this state's authority to  
15 examine its books and records.

16 (2) The provisions of this section relating to surplus as regards  
17 policyholders shall not apply to reinsurance ceded and assumed pursuant  
18 to pooling arrangements among insurers in the same holding company  
19 system. As used in this section, "substantially similar" standards means  
20 credit for reinsurance standards that the commissioner determines are  
21 equal to or exceed the standards of K.S.A. 40-221a, and amendments  
22 thereto, and this section.

23 (f) *Credit for reinsurance – reinsurers maintaining trust funds.* (1)  
24 Pursuant to K.S.A. 40-221a(a)(4), and amendments thereto, the  
25 commissioner shall allow credit for reinsurance ceded by a domestic  
26 insurer to an assuming insurer that, as of any date on which statutory  
27 financial statement credit for reinsurance is claimed, and thereafter for so  
28 long as credit for reinsurance is claimed, maintains a trust fund in an  
29 amount prescribed below in a qualified United States financial institution,  
30 as defined in K.S.A. 40-221a(c)(2), and amendments thereto, for the  
31 payment of the valid claims of its United States-domiciled ceding insurers,  
32 their assigns and successors in interest. The assuming insurer shall report  
33 annually to the commissioner substantially the same information as that  
34 required to be reported on the national association of insurance  
35 commissioners annual statement form by licensed insurers, to enable the  
36 commissioner to determine the sufficiency of the trust fund.

37 (2) The following requirements apply to the following categories of  
38 assuming insurer:

39 (A) The trust fund for a single assuming insurer shall consist of funds  
40 in trust in an amount not less than the assuming insurer's liabilities  
41 attributable to reinsurance ceded by United States-domiciled insurers and,  
42 in addition, the assuming insurer shall maintain a trustee surplus of not  
43 less than \$20,000,000, except as provided in subparagraph (B).

1 (B) At any time after the assuming insurer has permanently  
2 discontinued underwriting new business secured by the trust for at least  
3 three full years, the commissioner with principal regulatory oversight of  
4 the trust may authorize a reduction in the required trustee surplus, but  
5 only after a finding, based on an assessment of the risk, that the new  
6 required surplus level is adequate for the protection of United States  
7 ceding insurers, policyholders and claimants in light of reasonably  
8 foreseeable adverse loss development. The risk assessment may involve an  
9 actuarial review, including an independent analysis of reserves and cash  
10 flows, and shall consider all material risk factors, including, when  
11 applicable, the lines of business involved, the stability of the incurred loss  
12 estimates and the effect of the surplus requirements on the assuming  
13 insurer's liquidity or solvency. The minimum required trustee surplus may  
14 not be reduced to an amount less than 30% of the assuming insurer's  
15 liabilities attributable to reinsurance ceded by United States ceding  
16 insurers covered by the trust.

17 (C) (i) The trust fund for a group including incorporated and  
18 individual unincorporated underwriters shall consist of:

19 (a) For reinsurance ceded under reinsurance agreements with an  
20 inception date, amendment or renewal date on or after January 1, 1993,  
21 funds in trust in an amount not less than the respective underwriters'  
22 several liabilities attributable to business ceded by United States-domiciled  
23 ceding insurers to any underwriter of the group;

24 (b) for reinsurance ceded under reinsurance agreements with an  
25 inception date on or before December 31, 1992, and not amended or  
26 renewed after that date, notwithstanding the other provisions of this  
27 section, funds in trust in an amount not less than the respective  
28 underwriters' several insurance and reinsurance liabilities attributable to  
29 business written in the United States; and

30 (c) in addition to these trusts, the group shall maintain a trustee  
31 surplus of which \$100,000,000 shall be held jointly for the benefit of the  
32 United States-domiciled ceding insurers of any member of the group for  
33 all the years of account.

34 (ii) The incorporated members of the group shall not be engaged in  
35 any business other than underwriting as a member of the group and shall  
36 be subject to the same level of regulation and solvency control by the  
37 group's domiciliary regulator as are the unincorporated members. The  
38 group shall, within 90 days after its financial statements are due to be filed  
39 with the group's domiciliary regulator, provide to the commissioner:

40 (a) An annual certification by the group's domiciliary regulator of the  
41 solvency of each underwriter member of the group; or

42 (b) if a certification is unavailable, a financial statement, prepared by  
43 independent public accountants, of each underwriter member of the group.



1 (D) (i) The trust fund for a group of incorporated insurers under  
2 common administration, whose members possess aggregate policyholders  
3 surplus of \$10,000,000,000 as calculated and reported in substantially the  
4 same manner as prescribed by the annual statement instructions and  
5 accounting practices and procedures manual of the national association of  
6 insurance commissioners and that has continuously transacted an  
7 insurance business outside the United States for at least three years  
8 immediately prior to making application for accreditation, shall:

9 (a) Consist of funds in trust in an amount not less than the assuming  
10 insurers' several liabilities attributable to business ceded by United States-  
11 domiciled ceding insurers to any members of the group pursuant to  
12 reinsurance contracts issued in the name of such group;

13 (b) maintain a joint trustee surplus of which \$100,000,000 shall be  
14 held jointly for the benefit of United States-domiciled ceding insurers of  
15 any member of the group; and

16 (c) file a properly executed form ar-1, in accordance with the  
17 instructions and as prescribed and adopted by the national association of  
18 insurance commissioners and the commissioner of insurance, as evidence  
19 of the submission to this state's authority to examine the books and records  
20 of any of its members and shall certify that any member examined will  
21 bear the expense of any such examination.

22 (ii) Within 90 days after the statements are due to be filed with the  
23 group's domiciliary regulator, the group shall file with the commissioner  
24 an annual certification of each underwriter member's solvency by the  
25 member's domiciliary regulators and financial statements, prepared by  
26 independent public accountants, of each underwriter member of the group.

27 (3) (A) Credit for reinsurance shall not be granted unless the form of  
28 the trust and any amendments to the trust have been approved by either the  
29 commissioner of the state where the trust is domiciled or the commissioner  
30 of another state who, pursuant to the terms of the trust instrument, has  
31 accepted responsibility for regulatory oversight of the trust. The form of  
32 the trust and any trust amendments also shall be filed with the  
33 commissioner of every state in which the ceding insurer beneficiaries of  
34 the trust are domiciled. The trust instrument shall provide that:

35 (i) Contested claims shall be valid and enforceable out of funds in  
36 trust to the extent remaining unsatisfied 30 days after entry of the final  
37 order of any court of competent jurisdiction in the United States;

38 (ii) legal title to the assets of the trust shall be vested in the trustee for  
39 the benefit of the grantor's United States ceding insurers, their assigns and  
40 successors in interest;

41 (iii) the trust shall be subject to examination as determined by the  
42 commissioner;

43 (iv) the trust shall remain in effect for as long as the assuming insurer,

1 or any member or former member of a group of insurers, shall have  
2 outstanding obligations under reinsurance agreements subject to the trust;  
3 and

4 (v) not later than February 28 of each year, the trustee of the trust  
5 shall report to the commissioner in writing setting forth the balance in the  
6 trust and listing the trust's investments at the preceding year-end, and shall  
7 certify the date of termination of the trust, if so planned, or certify that the  
8 trust shall not expire prior to the following December 31.

9 (B) (i) Notwithstanding any other provisions in the trust instrument, if  
10 the trust fund is inadequate because it contains an amount less than the  
11 amount required by this subsection or if the grantor of the trust has been  
12 declared insolvent or placed into receivership, rehabilitation, liquidation or  
13 similar proceedings under the laws of its state or country of domicile, the  
14 trustee shall comply with an order of the commissioner with regulatory  
15 oversight over the trust or with an order of a court of competent  
16 jurisdiction directing the trustee to transfer to the commissioner with  
17 regulatory oversight over the trust or other designated receiver all of the  
18 assets of the trust fund.

19 (ii) The assets shall be distributed by and claims shall be filed with  
20 and valued by the commissioner with regulatory oversight over the trust in  
21 accordance with the laws of the state in which the trust is domiciled  
22 applicable to the liquidation of domestic insurance companies.

23 (iii) If the commissioner with regulatory oversight over the trust  
24 determines that the assets of the trust fund or any part thereof are not  
25 necessary to satisfy the claims of the United States beneficiaries of the  
26 trust, the commissioner with regulatory oversight over the trust shall return  
27 the assets, or any part thereof, to the trustee for distribution in accordance  
28 with the trust agreement.

29 (iv) The grantor shall waive any right otherwise available to it under  
30 United States law that is inconsistent with this provision.

31 (4) For purposes of this section, the term "liabilities" means the  
32 assuming insurer's gross liabilities attributable to reinsurance ceded by  
33 United States-domiciled insurers, excluding liabilities that are otherwise  
34 secured by acceptable means, and includes:

35 (A) For business ceded by domestic insurers authorized to write  
36 accident and health and property and casualty insurance:

37 (i) Losses and allocated loss expenses paid by the ceding insurer,  
38 recoverable from the assuming insurer;

39 (ii) reserves for losses reported and outstanding;

40 (iii) reserves for losses incurred but not reported;

41 (iv) reserves for allocated loss expenses; and

42 (v) unearned premiums.

43 (B) For business ceded by domestic insurers authorized to write life,

1 health and annuity insurance:

2 (i) Aggregate reserves for life policies and contracts net of policy  
3 loans and net due and deferred premiums;

4 (ii) aggregate reserves for accident and health policies;

5 (iii) deposit funds and other liabilities without life or disability  
6 contingencies; and

7 (iv) liabilities for policy and contract claims.

8 (5) Assets deposited in trusts established pursuant to K.S.A. 40-  
9 221a(a), and amendments thereto, and this subsection shall be valued  
10 according to their current fair market value and shall consist only of cash  
11 in United States dollars, certificates of deposit issued by a United States  
12 financial institution, as defined in K.S.A. 40-221a(c), and amendments  
13 thereto, clean, irrevocable, unconditional and "evergreen" letters of credit  
14 issued or confirmed by a qualified United States financial institution, as  
15 defined in K.S.A. 40-221a(c), and amendments thereto, and investments of  
16 the type specified in this subsection, but investments in or issued by an  
17 entity controlling, controlled by or under common control with either the  
18 grantor or beneficiary of the trust shall not exceed 5% of total investments.  
19 Not more than 20% of the total of the investments in the trust may be  
20 foreign investments authorized under subparagraph (A)(v), (C), (F)(ii) or  
21 (G), and not more than 10% of the total of the investments in the trust may  
22 be securities denominated in foreign currencies. For purposes of applying  
23 the preceding sentence, a depository receipt denominated in United States  
24 dollars and representing rights conferred by a foreign security shall be  
25 classified as a foreign investment denominated in a foreign currency. The  
26 assets of a trust established to satisfy the requirements of K.S.A. 40-  
27 221a(a), and amendments thereto, shall be invested only as follows:

28 (A) Government obligations that are not in default as to principal or  
29 interest, that are valid and legally authorized and that are issued, assumed  
30 or guaranteed by:

31 (i) The United States or by any agency or instrumentality of the  
32 United States;

33 (ii) a state of the United States;

34 (iii) a territory, possession or other governmental unit of the United  
35 States;

36 (iv) an agency or instrumentality of a governmental unit referred to in  
37 clauses (ii) and (iii) if the obligations shall be by law, statutory or  
38 otherwise, payable, as to both principal and interest, from taxes levied or  
39 by law required to be levied or from adequate special revenues pledged or  
40 otherwise appropriated or by law required to be provided for making these  
41 payments, but shall not be obligations eligible for investment under this  
42 paragraph if payable solely out of special assessments on properties  
43 benefited by local improvements; or

1 (v) the government of any other country that is a member of the  
2 organization for economic cooperation and development and whose  
3 government obligations are rated "A" or higher, or the equivalent, by a  
4 rating agency recognized by the securities valuation office of the national  
5 association of insurance commissioners.

6 (B) Obligations that are issued in the United States, or that are dollar  
7 denominated and issued in a non-U.S. market, by a solvent United States  
8 institution, other than an insurance company, or that are assumed or  
9 guaranteed by a solvent United States institution, other than an insurance  
10 company and that are not in default as to principal or interest if the  
11 obligations:

12 (i) Are rated "A" or higher, or the equivalent, by a securities rating  
13 agency recognized by the securities valuation office of the national  
14 association of insurance commissioners, or if not so rated, are similar in  
15 structure and other material respects to other obligations of the same  
16 institution that are so rated;

17 (ii) are insured by at least one authorized insurer, other than the  
18 investing insurer or a parent, subsidiary or affiliate of the investing insurer,  
19 licensed to insure obligations in this state and, after considering the  
20 insurance, are rated "AAA," or the equivalent, by a securities rating  
21 agency recognized by the securities valuation office of the national  
22 association of insurance commissioners; or

23 (iii) have been designated as class one or class two by the securities  
24 valuation office of the national association of insurance commissioners.

25 (C) Obligations issued, assumed or guaranteed by a solvent non-U.S.  
26 institution chartered in a country that is a member of the organization for  
27 economic cooperation and development or obligations of United States  
28 corporations issued in a non-U.S. currency, provided that in either case the  
29 obligations are rated "A" or higher, or the equivalent, by a rating agency  
30 recognized by the securities valuation office of the national association of  
31 insurance commissioners.

32 (D) An investment made pursuant to the provisions of subparagraph  
33 (A), (B) or (C) shall be subject to the following additional limitations:

34 (i) An investment in or loan upon the obligations of an institution  
35 other than an institution that issues mortgage-related securities shall not  
36 exceed 5% of the assets of the trust;

37 (ii) an investment in any one mortgage-related security shall not  
38 exceed 5% of the assets of the trust;

39 (iii) the aggregate total investment in mortgage-related securities shall  
40 not exceed 25% of the assets of the trust; and

41 (iv) preferred or guaranteed shares issued or guaranteed by a solvent  
42 United States institution are permissible investments if all of the  
43 institution's obligations are eligible as investments under subparagraphs

1 (B)(i) and (B)(iii), but shall not exceed 2% of the assets of the trust.

2 (E) As used in this section:

3 (i) "Mortgage-related security" means an obligation that is rated  
4 "AA" or higher, or the equivalent, by a securities rating agency recognized  
5 by the securities valuation office of the national association of insurance  
6 commissioners and that either:

7 (a) Represents ownership of one or more promissory notes or  
8 certificates of interest or participation in the notes, including any rights  
9 designed to assure servicing of, or the receipt or timeliness of receipt by  
10 the holders of the notes, certificates, or participation of amounts payable  
11 under, the notes, certificates or participation, that:

12 (1) Are directly secured by a first lien on a single parcel of real estate,  
13 including stock allocated to a dwelling unit in a residential cooperative  
14 housing corporation, upon which is located a dwelling or mixed residential  
15 and commercial structure, or on a residential manufactured home, as  
16 defined in 42 U.S.C. § 5402(6), whether the manufactured home is  
17 considered real or personal property under the laws of the state in which it  
18 is located; and

19 (2) were originated by a savings and loan association, savings bank,  
20 commercial bank, credit union, insurance company, or similar institution  
21 that is supervised and examined by a federal or state housing authority, or  
22 by a mortgagee approved by the United States secretary of housing and  
23 urban development pursuant to 12 U.S.C. §§ 1709 and 1715b, or, where  
24 the notes involve a lien on the manufactured home, by an institution or by  
25 a financial institution approved for insurance by the United States  
26 secretary of housing and urban development pursuant to 12 U.S.C. § 1703;  
27 or

28 (b) is secured by one or more promissory notes or certificates of  
29 deposit or participations in the notes, with or without recourse to the  
30 insurer of the notes, and, by its terms, provides for payments of principal  
31 in relation to payments, or reasonable projections of payments, or notes  
32 meeting the requirements of subclauses (a)(1) and (a)(2);

33 (ii) "promissory note," when used in connection with a manufactured  
34 home, shall also include a loan, advance or credit sale as evidenced by a  
35 retail installment sales contract or other instrument.

36 (F) *Equity interests.* (i) Investments in common shares or partnership  
37 interests of a solvent United States institution are permissible if:

38 (a) Its obligations and preferred shares, if any, are eligible as  
39 investments under this subsection; and

40 (b) the equity interests of the institution, except an insurance  
41 company, are registered on a national securities exchange as provided in  
42 the federal securities exchange act of 1934, 15 U.S.C. §§ 78a to 78kk, or  
43 otherwise registered pursuant to that act, and if otherwise registered, price

1 quotations for them are furnished through a nationwide automated  
2 quotations system approved by the financial industry regulatory authority,  
3 or its successor organization. A trust shall not invest in equity interests  
4 under this subparagraph an amount exceeding 1% of the assets of the trust  
5 even though the equity interests are not so registered and are not issued by  
6 an insurance company;

7 (ii) investments in common shares of a solvent institution organized  
8 under the laws of a country that is a member of the organization for  
9 economic cooperation and development, if:

10 (a) All its obligations are rated "A" or higher, or the equivalent, by a  
11 rating agency recognized by the securities valuation office of the national  
12 association of insurance commissioners; and

13 (b) the equity interests of the institution are registered on a securities  
14 exchange regulated by the government of a country that is a member of the  
15 organization for economic cooperation and development;

16 (iii) an investment in or loan upon any one institution's outstanding  
17 equity interests shall not exceed 1% of the assets of the trust. The cost of  
18 an investment in equity interests made pursuant to this subparagraph, when  
19 added to the aggregate cost of other investments in equity interests held  
20 pursuant to this paragraph, shall not exceed 10% of the assets in the trust.

21 (G) Obligations issued, assumed or guaranteed by a multinational  
22 development bank, provided the obligations are rated "A," or higher, or the  
23 equivalent, by a rating agency recognized by the securities valuation office  
24 of the national association of insurance commissioners.

25 (H) *Investment companies.* (i) Securities of an investment company  
26 registered pursuant to the investment company act of 1940, 15 U.S.C. §  
27 80a, are permissible investments if the investment company:

28 (a) Invests at least 90% of its assets in the types of securities that  
29 qualify as an investment under subparagraph (A), (B) or (C) or invests in  
30 securities that are determined by the commissioner to be substantively  
31 similar to the types of securities set forth in subparagraph (A), (B) or (C);  
32 or

33 (b) invests at least 90% of its assets in the types of equity interests  
34 that qualify as an investment under subparagraph (F)(i).

35 (ii) investments made by a trust in investment companies under this  
36 paragraph shall not exceed the following limitations:

37 (a) An investment in an investment company qualifying under clause  
38 (i)(a) shall not exceed 10% of the assets in the trust and the aggregate  
39 amount of investment in qualifying investment companies shall not exceed  
40 25% of the assets in the trust; and

41 (b) investments in an investment company qualifying under clause (i)  
42 (b) shall not exceed 5% of the assets in the trust and the aggregate amount  
43 of investment in qualifying investment companies shall be included when

1 calculating the permissible aggregate value of equity interests pursuant to  
2 subparagraph (F)(i);

3 (I) *Letters of credit.* (i) In order for a letter of credit to qualify as an  
4 asset of the trust, the trustee shall have the right and the obligation  
5 pursuant to the deed of trust or some other binding agreement, as duly  
6 approved by the commissioner, to immediately draw down the full amount  
7 of the letter of credit and hold the proceeds in trust for the beneficiaries of  
8 the trust if the letter of credit will otherwise expire without being renewed  
9 or replaced; and

10 (ii) the trust agreement shall provide that the trustee shall be liable for  
11 its negligence, willful misconduct or lack of good faith. The failure of the  
12 trustee to draw against the letter of credit in circumstances where such  
13 draw would be required shall be deemed to be negligence or willful  
14 misconduct.

15 (6) A specific security provided to a ceding insurer by an assuming  
16 insurer pursuant to subsection (k) shall be applied, until exhausted, to the  
17 payment of liabilities of the assuming insurer to the ceding insurer holding  
18 the specific security prior to, and as a condition precedent for, presentation  
19 of a claim by the ceding insurer for payment by a trustee of a trust  
20 established by the assuming insurer pursuant to this section.

21 (g) *Credit for reinsurance – certified reinsurers.* (1) Pursuant to  
22 K.S.A. 40-221a(a)(5), and amendments thereto, the commissioner shall  
23 allow credit for reinsurance ceded by a domestic insurer to an assuming  
24 insurer that has been certified as a reinsurer in this state at all times for  
25 which statutory financial statement credit for reinsurance is claimed under  
26 this section. The credit allowed shall be based upon the security held by or  
27 on behalf of the ceding insurer in accordance with a rating assigned to the  
28 certified reinsurer by the commissioner. The security shall be in a form  
29 consistent with the provisions of K.S.A. 40-221a(a)(5) and 40-221a(b),  
30 and amendments thereto, and subsection (k), (l) or (m). The amount of  
31 security required in order for full credit to be allowed shall correspond  
32 with the following requirements:

(A) Ratings	Security Required
Secure - 1	0%
Secure - 2	10%
Secure - 3	20%
Secure - 4	50%
Secure - 5	75%
Secure - 6	100%

40 (B) Affiliated reinsurance transactions shall receive the same  
41 opportunity for reduced security requirements as all other reinsurance  
42 transactions.

43 (C) The commissioner shall require the certified reinsurer to post for

1 the benefit of the ceding insurer or its estate, 100% security upon the entry  
2 of an order of rehabilitation, liquidation or conservation against the ceding  
3 insurer.

4 (D) In order to facilitate the prompt payment of claims, a certified  
5 reinsurer shall not be required to post security for catastrophe recoverables  
6 for a period of one year from the date of the first instance of a liability  
7 reserve entry by the ceding company as a result of a loss from a  
8 catastrophic occurrence as recognized by the commissioner. The one-year  
9 deferral period shall be contingent upon the certified reinsurer continuing  
10 to pay claims in a timely manner. Reinsurance recoverables for only the  
11 following lines of business as reported on the national association of  
12 insurance commissioners annual financial statement related specifically to  
13 the catastrophic occurrence shall be included in the deferral:

14 (i) Line 1: Fire.

15 (ii) Line 2: Allied lines.

16 (iii) Line 3: Farmowners multiple peril.

17 (iv) Line 4: Homeowners multiple peril.

18 (v) Line 5: Commercial multiple peril.

19 (vi) Line 9: Inland marine.

20 (vii) Line 12: Earthquake.

21 (viii) Line 21: Auto physical damage.

22 (E) Credit for reinsurance under this section shall apply only to  
23 reinsurance contracts entered into or renewed on or after the effective date  
24 of the certification of the assuming insurer. Any reinsurance contract  
25 entered into prior to the effective date of the certification of the assuming  
26 insurer that is subsequently amended after the effective date of the  
27 certification of the assuming insurer, or a new reinsurance contract,  
28 covering any risk for which collateral was provided previously, shall only  
29 be subject to this section with respect to losses incurred and reserves  
30 reported from and after the effective date of the amendment or new  
31 contract.

32 (F) Nothing in this section shall prohibit the parties to a reinsurance  
33 agreement from agreeing to provisions establishing security requirements  
34 that exceed the minimum security requirements established for certified  
35 reinsurers under this section.

36 (2) *Certification procedure.* (A) The commissioner shall post notice  
37 on the insurance department's website promptly upon receipt of any  
38 application for certification, including instructions on how members of the  
39 public may respond to the application. The commissioner shall not take  
40 final action on the application until at least 30 days after posting the notice  
41 required by this paragraph.

42 (B) The commissioner shall issue written notice to an assuming  
43 insurer that has made application and been approved as a certified



1 reinsurer. Included in such notice shall be the rating assigned the certified  
2 reinsurer in accordance with subsection (g)(2)(A). The commissioner shall  
3 publish a list of all certified reinsurers and their ratings.

4 (C) In order to be eligible for certification, the assuming insurer shall  
5 meet the following requirements:

6 (i) The assuming insurer must be domiciled and licensed to transact  
7 insurance or reinsurance in a qualified jurisdiction, as determined by the  
8 commissioner pursuant to subsection (g)(3);

9 (ii) the assuming insurer shall maintain capital and surplus, or its  
10 equivalent, of no less than \$250,000,000 calculated in accordance with  
11 subsection (g)(2)(D)(viii). This requirement may also be satisfied by an  
12 association including incorporated and individual unincorporated  
13 underwriters having minimum capital and surplus equivalents, net of  
14 liabilities, of at least \$250,000,000 and a central fund containing a balance  
15 of at least \$250,000,000;

16 (iii) the assuming insurer shall maintain financial strength ratings  
17 from two or more rating agencies deemed acceptable by the commissioner.  
18 These ratings shall be based on interactive communication between the  
19 rating agency and the assuming insurer and shall not be based solely on  
20 publicly available information. These financial strength ratings shall be  
21 one factor used by the commissioner in determining the rating that is  
22 assigned to the assuming insurer. Acceptable rating agencies include the  
23 following:

24 (a) Standard & poor's;  
25 (b) Moody's investors service;  
26 (c) Fitch ratings;  
27 (d) a.m. best company; or  
28 (e) any other nationally recognized statistical rating organization; and  
29 (iv) the certified reinsurer shall comply with any other requirements  
30 reasonably imposed by the commissioner.

31 (D) Each certified reinsurer shall be rated on a legal entity basis, with  
32 due consideration being given to the group rating where appropriate,  
33 except that an association including incorporated and individual  
34 unincorporated underwriters that has been approved to do business as a  
35 single certified reinsurer may be evaluated on the basis of its group rating.  
36 Factors that may be considered as part of the evaluation process include,  
37 but are not limited to, the following:

38 (i) The certified reinsurer's financial strength rating from an  
39 acceptable rating agency. The maximum rating that a certified reinsurer  
40 may be assigned shall correspond to its financial strength rating as outlined  
41 in the table below. The commissioner shall use the lowest financial  
42 strength rating received from an approved rating agency in establishing the  
43 maximum rating of a certified reinsurer. A failure to obtain or maintain at

1 least two financial strength ratings from acceptable rating agencies shall  
 2 result in loss of eligibility for certification;

3 (ii) the business practices of the certified reinsurer in dealing with its  
 4 ceding insurers, including its record of compliance with reinsurance  
 5 contractual terms and obligations;

6 Ratings	Best	S&P	Moody's	Fitch
7 Secure - 1	A++	AAA	Aaa	AAA
8 Secure - 2	A+	AA+, AA*	Aa1, Aa2, Aa3	AA+, AA,
9		AA-		AA-
10 Secure - 3	A	A+, A	A1, A2	A+, A
11 Secure - 4	A-	A-	A3	A-
12 Secure - 5	B++, B+	BBB+, BBB*	Baa1, Baa2,	BBB+, BBB,
13		BBB-	Baa3	BBB-
14 Vulnerable				
15 - 6	B, B-,	BB+, BB,	Ba1, Ba2,	BB+, BB,
16	C++, C+*	BB-, B+,	Ba3, B1,	BB-, B+, B*
17		B,		
18	C, C-, D*	B**, CCC,	B2, B3, Caa,	B-, CCC+,
19		CC,		CC,
20	E, F	C, D, R	Ca, C	CCC-, DD*

21 (iii) for certified reinsurers domiciled in the United States, a review of  
 22 the most recent applicable national association of insurance commissioners  
 23 annual statement blank, either schedule f, for property and casualty  
 24 reinsurers, or schedule s, for life and health reinsurers, in accordance with  
 25 the instructions and as prescribed and adopted by the national association  
 26 of insurance commissioners and the commissioner of insurance;

27 (iv) for certified reinsurers not domiciled in the United States, a  
 28 review annually of form cr-f, for property and casualty reinsurers, in  
 29 accordance with the instructions and as prescribed and adopted by the  
 30 national association of insurance commissioners and the commissioner of  
 31 insurance or form cr-s, for life and health reinsurers, in accordance with  
 32 the instructions and as prescribed and adopted by the national association  
 33 of insurance commissioners and the commissioner of insurance;

34 (v) the reputation of the certified reinsurer for prompt payment of  
 35 claims under reinsurance agreements, based on an analysis of ceding  
 36 insurers' schedule f reporting of overdue reinsurance recoverables,  
 37 including the proportion of obligations that are more than 90 days past due  
 38 or are in dispute, with specific attention given to obligations payable to  
 39 companies that are in administrative supervision or receivership;

40 (vi) regulatory actions against the certified reinsurer;

41 (vii) the report of the independent auditor on the financial statements  
 42 of the insurance enterprise, on the basis described in clause (viii);

43 (viii) for certified reinsurers not domiciled in the United States,

1 audited financial statements, regulatory filings, and actuarial opinion, as  
2 filed with the non-U.S. jurisdiction supervisor, with a translation into  
3 English. Upon the initial application for certification, the commissioner  
4 will consider audited financial statements for the last two years filed with  
5 its non-U.S. jurisdiction supervisor;

6 (ix) the liquidation priority of obligations to a ceding insurer in the  
7 certified reinsurer's domiciliary jurisdiction in the context of an insolvency  
8 proceeding;

9 (x) a certified reinsurer's participation in any solvent scheme of  
10 arrangement, or similar procedure, that involves United States ceding  
11 insurers. The commissioner shall receive prior notice from a certified  
12 reinsurer that proposes participation by the certified reinsurer in a solvent  
13 scheme of arrangement; and

14 (xi) any other information deemed relevant by the commissioner.

15 (E) Based on the analysis conducted under subparagraph (D)(v) of a  
16 certified reinsurer's reputation for prompt payment of claims, the  
17 commissioner may make appropriate adjustments in the security the  
18 certified reinsurer is required to post to protect its liabilities to United  
19 States ceding insurers, provided that the commissioner shall, at a  
20 minimum, increase the security the certified reinsurer is required to post  
21 by one rating level under subparagraph (D)(i) if the commissioner finds  
22 that:

23 (i) More than 15% of the certified reinsurer's ceding insurance clients  
24 have overdue reinsurance recoverables on paid losses of 90 days or more  
25 that are not in dispute and that exceed \$100,000 for each ceding; or

26 (ii) the aggregate amount of reinsurance recoverables on paid losses  
27 that are not in dispute that are overdue by 90 days or more exceeds  
28 \$50,000,000.

29 (F) The assuming insurer shall submit a properly executed form cr-1  
30 in accordance with the instructions and as prescribed and adopted by the  
31 national association of insurance commissioners and the commissioner of  
32 insurance as evidence of its submission to the jurisdiction of this state,  
33 appointment of the commissioner as an agent for service of process in this  
34 state, and agreement to provide security for 100% of the assuming  
35 insurer's liabilities attributable to reinsurance ceded by United States  
36 ceding insurers if it resists enforcement of a final United States judgment.  
37 The commissioner shall not certify any assuming insurer that is domiciled  
38 in a jurisdiction that the commissioner has determined does not adequately  
39 and promptly enforce final United States judgments or arbitration awards.

40 (G) The certified reinsurer shall agree to meet applicable information  
41 filing requirements as determined by the commissioner, both with respect  
42 to an initial application for certification and on an ongoing basis. All  
43 information submitted by certified reinsurers that is not otherwise public

1 information subject to disclosure shall be exempted from disclosure under  
2 the open records act, K.S.A. 45-215, et seq., and amendments thereto, and  
3 shall be withheld from public disclosure. ~~The provisions of this~~  
4 ~~subparagraph providing for the confidentiality of public records shall~~  
5 ~~expire on July 1, 2026, unless the legislature reviews and continues such~~  
6 ~~provisions in accordance with K.S.A. 45-229, and amendments thereto.~~  
7 The applicable information filing requirements are, as follows:

8 (i) Notification within 10 days of any regulatory actions taken against  
9 the certified reinsurer, any change in the provisions of its domiciliary  
10 license or any change in rating by an approved rating agency, including a  
11 statement describing such changes and the reasons therefor;

12 (ii) annually, form cr-f or cr-s, in accordance with the instructions and  
13 as prescribed and adopted by the national association of insurance  
14 commissioners and the commissioner of insurance as applicable;

15 (iii) annually, the report of the independent auditor on the financial  
16 statements of the insurance enterprise, on the basis described in clause  
17 (iv);

18 (iv) annually, the most recent audited financial statements, regulatory  
19 filings and actuarial opinion, as filed with the certified reinsurer's  
20 supervisor, with a translation into English. Upon the initial certification,  
21 audited financial statements for the last two years filed with the certified  
22 reinsurer's supervisor;

23 (v) at least annually, an updated list of all disputed and overdue  
24 reinsurance claims regarding reinsurance assumed from United States  
25 domestic ceding insurers;

26 (vi) a certification from the certified reinsurer's domestic regulator  
27 that the certified reinsurer is in good standing and maintains capital in  
28 excess of the jurisdiction's highest regulatory action level; and

29 (vii) any other information that the commissioner may reasonably  
30 require.

31 (H) *Change in rating or revocation of certification.* (i) In the case of a  
32 downgrade by a rating agency or other disqualifying circumstance, the  
33 commissioner upon written notice shall assign a new rating to the certified  
34 reinsurer in accordance with the requirements of subsection (g)(2)(D)(i).

35 (ii) The commissioner shall have the authority to suspend, revoke or  
36 otherwise modify a certified reinsurer's certification at any time if the  
37 certified reinsurer fails to meet its obligations or security requirements  
38 under this section, or if other financial or operating results of the certified  
39 reinsurer, or documented significant delays in payment by the certified  
40 reinsurer lead the commissioner to reconsider the certified reinsurer's  
41 ability or willingness to meet its contractual obligations.

42 (iii) If the rating of a certified reinsurer is upgraded by the  
43 commissioner, the certified reinsurer may meet the security requirements

1 applicable to its new rating on a prospective basis, but the commissioner  
2 shall require the certified reinsurer to post security under the previously  
3 applicable security requirements as to all contracts in force on or before  
4 the effective date of the upgraded rating. If the rating of a certified  
5 reinsurer is downgraded by the commissioner, the commissioner shall  
6 require the certified reinsurer to meet the security requirements applicable  
7 to its new rating for all business it has assumed as a certified reinsurer.

8 (iv) Upon revocation of the certification of a certified reinsurer by the  
9 commissioner, the assuming insurer shall be required to post security in  
10 accordance with subsection (k) in order for the ceding insurer to continue  
11 to take credit for reinsurance ceded to the assuming insurer. If funds  
12 continue to be held in trust in accordance with subsection (f), the  
13 commissioner may allow additional credit equal to the ceding insurer's pro  
14 rata share of such funds, discounted to reflect the risk of uncollectibility  
15 and anticipated expenses of trust administration. Notwithstanding the  
16 change of a certified reinsurer's rating or revocation of its certification, a  
17 domestic insurer that has ceded reinsurance to that certified reinsurer may  
18 not be denied credit for reinsurance for a period of three months for all  
19 reinsurance ceded to that certified reinsurer, unless the reinsurance is  
20 found by the commissioner to be at high risk of uncollectibility.

21 (3) *Qualified jurisdictions.* (A) If, upon conducting an evaluation  
22 under this section with respect to the reinsurance supervisory system of  
23 any non-U.S. assuming insurer, the commissioner determines that the  
24 jurisdiction qualifies to be recognized as a qualified jurisdiction, the  
25 commissioner shall publish notice and evidence of such recognition in an  
26 appropriate manner. The commissioner may establish a procedure to  
27 withdraw recognition of those jurisdictions that are no longer qualified.

28 (B) In order to determine whether the domiciliary jurisdiction of a  
29 non-U.S. assuming insurer is eligible to be recognized as a qualified  
30 jurisdiction, the commissioner shall evaluate the reinsurance supervisory  
31 system of the non-U.S. jurisdiction, both initially and on an ongoing basis,  
32 and consider the rights, benefits and the extent of reciprocal recognition  
33 afforded by the non-U.S. jurisdiction to reinsurers licensed and domiciled  
34 in the United States. The commissioner shall determine the appropriate  
35 approach for evaluating the qualifications of such jurisdictions, and create  
36 and publish a list of jurisdictions whose reinsurers may be approved by the  
37 commissioner as eligible for certification. A qualified jurisdiction shall  
38 agree to share information and cooperate with the commissioner with  
39 respect to all certified reinsurers domiciled within that jurisdiction.  
40 Additional factors to be considered in determining whether to recognize a  
41 qualified jurisdiction, in the discretion of the commissioner, include, but  
42 are not limited to, the following:

43 (i) The framework under which the assuming insurer is regulated;

1 (ii) the structure and authority of the domiciliary regulator with  
2 regard to solvency regulation requirements and financial surveillance;

3 (iii) the substance of financial and operating standards for assuming  
4 insurers in the domiciliary jurisdiction;

5 (iv) the form and substance of financial reports required to be filed or  
6 made publicly available by reinsurers in the domiciliary jurisdiction and  
7 the accounting principles used;

8 (v) the domiciliary regulator's willingness to cooperate with United  
9 States regulators in general and the commissioner in particular;

10 (vi) the history of performance by assuming insurers in the  
11 domiciliary jurisdiction;

12 (vii) any documented evidence of substantial problems with the  
13 enforcement of final judgments in the domiciliary jurisdiction. A  
14 jurisdiction shall not be considered to be a qualified jurisdiction if the  
15 commissioner has determined that it does not adequately and promptly  
16 enforce final United States judgments or arbitration awards;

17 (viii) any relevant international standards or guidance with respect to  
18 mutual recognition of reinsurance supervision adopted by the international  
19 association of insurance supervisors or successor organization; and

20 (ix) any other matters deemed relevant by the commissioner.

21 (C) A list of qualified jurisdictions shall be published through the  
22 national association of insurance commissioners committee process. The  
23 commissioner shall consider this list in determining qualified jurisdictions.  
24 If the commissioner approves a jurisdiction as qualified that does not  
25 appear on the list of qualified jurisdictions, the commissioner shall provide  
26 thoroughly documented justification with respect to the criteria provided  
27 under paragraphs (3)(B)(i) through (ix).

28 (D) United States jurisdictions that meet the requirements for  
29 accreditation under the national association of insurance commissioners  
30 financial standards and accreditation program shall be recognized as  
31 qualified jurisdictions.

32 (4) *Recognition of certification issued by a national association of*  
33 *insurance commissioners accredited jurisdiction.* (A) If an applicant for  
34 certification has been certified as a reinsurer in a national association of  
35 insurance commissioners-accredited jurisdiction, the commissioner has the  
36 discretion to defer to that jurisdiction's certification and to defer to the  
37 rating assigned by that jurisdiction, if the assuming insurer submits a  
38 properly executed form cr-1 in accordance with the instructions and as  
39 prescribed and adopted by the national association of insurance  
40 commissioners and the commissioner of insurance and such additional  
41 information as the commissioner requires. The assuming insurer shall be  
42 considered to be a certified reinsurer in this state.

43 (B) Any change in the certified reinsurer's status or rating in the other

1 jurisdiction shall apply automatically in this state as of the date it takes  
2 effect in the other jurisdiction. The certified reinsurer shall notify the  
3 commissioner of any change in its status or rating within 10 days after  
4 receiving notice of the change.

5 (C) The commissioner may withdraw recognition of the other  
6 jurisdiction's rating at any time and assign a new rating in accordance with  
7 subsection (g)(2)(H).

8 (D) The commissioner may withdraw recognition of the other  
9 jurisdiction's certification at any time, with written notice to the certified  
10 reinsurer. Unless the commissioner suspends or revokes the certified  
11 reinsurer's certification in accordance with subsection (g)(2)(H), the  
12 certified reinsurer's certification shall remain in good standing in this state  
13 for a period of three months, and such period shall be extended if  
14 additional time is necessary to consider the assuming insurer's application  
15 for certification in this state.

16 (5) *Mandatory funding clause.* In addition to the clauses required  
17 under subsection (n) reinsurance contracts entered into or renewed under  
18 this section shall include a proper funding clause, that requires the certified  
19 reinsurer to provide and maintain security in an amount sufficient to avoid  
20 the imposition of any financial statement penalty on the ceding insurer  
21 under this section for reinsurance ceded to the certified reinsurer.

22 (6) The commissioner shall comply with all reporting and notification  
23 requirements that may be established by the national association of  
24 insurance commissioners with respect to certified reinsurers and qualified  
25 jurisdictions.

26 (h) *Credit for reinsurance – reciprocal jurisdictions.* (1) Pursuant to  
27 K.S.A. 40-221a(a)(6), and amendments thereto, the commissioner shall  
28 allow credit for reinsurance ceded by a domestic insurer to an assuming  
29 insurer that is licensed to write reinsurance by, and has its head office or is  
30 domiciled in, a reciprocal jurisdiction, and that meets the other  
31 requirements of this section.

32 (2) A "reciprocal jurisdiction" is a jurisdiction, as designated by the  
33 commissioner pursuant to subsection (h)(4), that meets one of the  
34 following:

35 (A) A non-U.S. jurisdiction that is subject to an in-force covered  
36 agreement with the United States, each within its legal authority, or, in the  
37 case of a covered agreement between the United States and the European  
38 union, is a member state of the European union. For purposes of this  
39 subsection, a "covered agreement" is an agreement entered into pursuant to  
40 the dodd-frank wall street reform and consumer protection act, 31 U.S.C.  
41 §§ 313 and 314, that is currently in effect or in a period of provisional  
42 application and addresses the elimination, under specified conditions, of  
43 collateral requirements as a condition for entering into any reinsurance

1 agreement with a ceding insurer domiciled in this state or for allowing the  
2 ceding insurer to recognize credit for reinsurance;

3 (B) a United States jurisdiction that meets the requirements for  
4 accreditation under the national association of insurance commissioners  
5 financial standards and accreditation program; or

6 (C) a qualified jurisdiction, as determined by the commissioner  
7 pursuant to K.S.A. 40-221a(a)(5)(C), and amendments thereto, and  
8 subsection (g)(3), that is not otherwise described in subparagraph (A) or  
9 (B) and that the commissioner determines meets all of the following  
10 additional requirements:

11 (i) Provides that an insurer that has its head office or is domiciled in  
12 such qualified jurisdiction shall receive credit for reinsurance ceded to a  
13 United States-domiciled assuming insurer in the same manner as credit for  
14 reinsurance is received for reinsurance assumed by insurers domiciled in  
15 such qualified jurisdiction;

16 (ii) does not require a United States-domiciled assuming insurer to  
17 establish or maintain a local presence as a condition for entering into a  
18 reinsurance agreement with any ceding insurer subject to regulation by the  
19 non-U.S. jurisdiction or as a condition for allowing the ceding insurer to  
20 recognize credit for such reinsurance;

21 (iii) recognizes the United States state regulatory approach to group  
22 supervision and group capital, by providing written confirmation by a  
23 competent regulatory authority, in such qualified jurisdiction, that insurers  
24 and insurance groups that are domiciled or maintain their headquarters in  
25 this state or another jurisdiction accredited by the national association of  
26 insurance commissioners shall be subject only to worldwide prudential  
27 insurance group supervision including worldwide group governance,  
28 solvency and capital and reporting, as applicable, by the commissioner or  
29 the commissioner of the domiciliary state and shall not be subject to group  
30 supervision at the level of the worldwide parent undertaking of the  
31 insurance or reinsurance group by the qualified jurisdiction; and

32 (iv) provides written confirmation by a competent regulatory  
33 authority in such qualified jurisdiction that information regarding insurers  
34 and their parent, subsidiary or affiliated entities, if applicable, shall be  
35 provided to the commissioner in accordance with a memorandum of  
36 understanding or similar document between the commissioner and such  
37 qualified jurisdiction, including, but not limited to, the international  
38 association of insurance supervisors multilateral memorandum of  
39 understanding or other multilateral memoranda of understanding  
40 coordinated by the national association of insurance commissioners.

41 (3) Credit shall be allowed when the reinsurance is ceded from an  
42 insurer domiciled in this state to an assuming insurer meeting each of the  
43 conditions set forth below.



1 (A) The assuming insurer shall be licensed to transact reinsurance by,  
2 and have its head office or be domiciled in, a reciprocal jurisdiction.

3 (B) The assuming insurer shall have and maintain on an ongoing  
4 basis minimum capital and surplus, or its equivalent, calculated on at least  
5 an annual basis as of the preceding December 31 or at the annual date  
6 otherwise statutorily required to be reported to the reciprocal jurisdiction,  
7 and confirmed as set forth in paragraph (3)(G) according to the  
8 methodology of its domiciliary jurisdiction, in the following amounts:

9 (i) Not less than \$250,000,000; or

10 (ii) if the assuming insurer is an association, including incorporated  
11 and individual unincorporated underwriters:

12 (a) Minimum capital and surplus equivalent, net of liabilities, or own  
13 funds of the equivalent of at least \$250,000,000; and

14 (b) a central fund containing a balance of the equivalent of at least  
15 \$250,000,000.

16 (C) The assuming insurer shall have and maintain on an ongoing  
17 basis a minimum solvency or capital ratio, as applicable, as follows:

18 (i) If the assuming insurer has its head office or is domiciled in a  
19 reciprocal jurisdiction, as defined in subsection (h)(2)(A), the ratio  
20 specified in the applicable covered agreement;

21 (ii) if the assuming insurer is domiciled in a reciprocal jurisdiction, as  
22 defined in subsection (h)(2)(B), a risk-based capital ratio of 300% of the  
23 authorized control level, calculated in accordance with the formula  
24 developed by the national association of insurance commissioners; or

25 (iii) if the assuming insurer is domiciled in a reciprocal jurisdiction,  
26 as defined in subsection (h)(2)(C), after consultation with the reciprocal  
27 jurisdiction and considering any recommendations published through the  
28 national association of insurance commissioners committee process, such  
29 solvency or capital ratio as the commissioner determines to be an effective  
30 measure of solvency.

31 (D) The assuming insurer shall agree to and provide adequate  
32 assurance, in the form of a properly executed form rj-1 in accordance with  
33 the instructions and as prescribed and adopted by the national association  
34 of insurance commissioners and the commissioner of insurance, of its  
35 agreement to the following:

36 (i) The assuming insurer shall agree to provide prompt written notice  
37 and explanation to the commissioner if it falls below the minimum  
38 requirements set forth in subparagraph (B) or (C) or if any regulatory  
39 action is taken against it for serious noncompliance with applicable law;  
40 and

41 (ii) the assuming insurer shall consent in writing to the jurisdiction of  
42 the courts of this state and to the appointment of the commissioner as  
43 agent for service of process.

1 (a) The commissioner may also require that such consent be provided  
2 and included in each reinsurance agreement under the commissioner's  
3 jurisdiction.

4 (b) Nothing in this provision shall limit or in any way alter the  
5 capacity of parties to a reinsurance agreement to agree to alternative  
6 dispute resolution mechanisms, except to the extent such agreements are  
7 unenforceable under applicable insolvency or delinquency laws.

8 (iii) The assuming insurer shall consent in writing to pay all final  
9 judgments, wherever enforcement is sought, obtained by a ceding insurer,  
10 that have been declared enforceable in the territory where the judgment  
11 was obtained.

12 (iv) Each reinsurance agreement shall include a provision requiring  
13 the assuming insurer to provide security in an amount equal to 100% of the  
14 assuming insurer's liabilities attributable to reinsurance ceded pursuant to  
15 that agreement if the assuming insurer resists enforcement of a final  
16 judgment that is enforceable under the law of the jurisdiction in which it  
17 was obtained or a properly enforceable arbitration award, whether  
18 obtained by the ceding insurer or by its legal successor on behalf of its  
19 estate, if applicable, assuming insurer resists enforcement of a final  
20 judgment that is enforceable under the law of the jurisdiction in which it  
21 was obtained or a properly enforceable arbitration award, whether  
22 obtained by the ceding insurer or by its legal successor on behalf of its  
23 estate, if applicable.

24 (v) The assuming insurer shall confirm that it is not presently  
25 participating in any solvent scheme of arrangement that involves this  
26 state's ceding insurers and agree to notify the ceding insurer and the  
27 commissioner and to provide 100% security to the ceding insurer  
28 consistent with the terms of the scheme, if the assuming insurer enters into  
29 such a solvent scheme of arrangement. Such security shall be in a form  
30 consistent with the provisions of K.S.A. 40-221a(a)(5) and (b), and  
31 amendments thereto, and subsections (k), (l) and (m). For purposes of this  
32 section, the term "solvent scheme of arrangement" means a foreign or alien  
33 statutory or regulatory compromise procedure subject to requisite majority  
34 creditor approval and judicial sanction in the assuming insurer's home  
35 jurisdiction either to finally commute liabilities of duly noticed classed  
36 members or creditors of a solvent debtor, or to reorganize or restructure the  
37 debts and obligations of a solvent debtor on a final basis, and that may be  
38 subject to judicial recognition and enforcement of the arrangement by a  
39 governing authority outside the ceding insurer's home jurisdiction.

40 (vi) The assuming insurer shall agree in writing to meet the  
41 applicable information filing requirements as set forth in subparagraph (E).

42 (E) The assuming insurer or its legal successor shall provide, if  
43 requested by the commissioner, on behalf of itself and any legal

1 predecessors, the following documentation to the commissioner:

2 (i) For the two years preceding entry into the reinsurance agreement  
3 and annually thereafter, the assuming insurer's annual audited financial  
4 statements, in accordance with the applicable law of the jurisdiction of its  
5 head office or domiciliary jurisdiction, as applicable, including the  
6 external audit report;

7 (ii) for the two years preceding entry into the reinsurance agreement,  
8 the solvency and financial condition report or actuarial opinion, if filed  
9 with the assuming insurer's supervisor;

10 (iii) prior to entry into the reinsurance agreement and not more than  
11 semi-annually thereafter, an updated list of all disputed and overdue  
12 reinsurance claims outstanding for 90 days or more, regarding reinsurance  
13 assumed from ceding insurers domiciled in the United States; and

14 (iv) prior to entry into the reinsurance agreement and not more than  
15 semi-annually thereafter, information regarding the assuming insurer's  
16 assumed reinsurance by the ceding insurer, ceded reinsurance by the  
17 assuming insurer, and reinsurance recoverable on paid and unpaid losses  
18 by the assuming insurer to allow for the evaluation of the criteria set forth  
19 in subparagraph (F).

20 (F) The assuming insurer shall maintain a practice of prompt payment  
21 of claims under reinsurance agreements. The lack of prompt payment will  
22 be evidenced if any of the following criteria is met:

23 (i) More than 15% of the reinsurance recoverables from the assuming  
24 insurer are overdue and in dispute as reported to the commissioner;

25 (ii) more than 15% of the assuming insurer's ceding insurers or  
26 reinsurers have overdue reinsurance recoverable on paid losses of 90 days  
27 or more that are not in dispute and that exceed \$100,000 for each ceding  
28 insurer, or as otherwise specified in a covered agreement; or

29 (iii) the aggregate amount of reinsurance recoverable on paid losses  
30 that are not in dispute, but are overdue by 90 days or more, exceeds  
31 \$50,000,000, or as otherwise specified in a covered agreement.

32 (G) The assuming insurer's supervisory authority shall confirm to the  
33 commissioner on an annual basis that the assuming insurer complies with  
34 the requirements set forth in subparagraphs (B) and (C).

35 (H) Nothing in this provision precludes an assuming insurer from  
36 providing the commissioner with information on a voluntary basis.

37 (4) The commissioner shall timely create and publish a list of  
38 reciprocal jurisdictions.

39 (A) A list of reciprocal jurisdictions is published through the national  
40 association of insurance commissioners' committee process. The  
41 commissioner's list shall include any reciprocal jurisdiction, as defined  
42 under subsections (h)(2)(A) and (B), and shall consider any other  
43 reciprocal jurisdiction included on the NAIC list. The commissioner may

1 approve a jurisdiction that does not appear on the national association of  
2 insurance commissioners' list of reciprocal jurisdictions as provided by  
3 applicable law, regulation, or in accordance with criteria published through  
4 the national association of insurance commissioner committee process.

5 (B) The commissioner may remove a jurisdiction from the list of  
6 reciprocal jurisdictions upon a determination that the jurisdiction no longer  
7 meets one or more of the requirements of a reciprocal jurisdiction, as  
8 provided by applicable law, regulation, or in accordance with a process  
9 published through the national association of insurance commissioner  
10 committee process, except that the commissioner shall not remove from  
11 the list a reciprocal jurisdiction, as defined under subsections (h)(2)(A) and  
12 (B). Upon removal of a reciprocal jurisdiction from this list credit for  
13 reinsurance ceded to an assuming insurer domiciled in that jurisdiction  
14 shall be allowed, if otherwise allowed pursuant to K.S.A. 40-221a, and  
15 amendments thereto, or this section.

16 (5) The commissioner shall timely create and publish a list of  
17 assuming insurers that have satisfied the conditions set forth in this section  
18 and to which cessions shall be granted credit in accordance with this  
19 section.

20 (A) If a national association of insurance commissioners accredited  
21 jurisdiction has determined that the conditions set forth in paragraph (3)  
22 have been met, the commissioner has the discretion to defer to that  
23 jurisdiction's determination, and add such assuming insurer to the list of  
24 assuming insurers to which cessions shall be granted credit in accordance  
25 with this subsection. The commissioner may accept financial  
26 documentation filed with another national association of insurance  
27 commissioners accredited jurisdiction or with the national association of  
28 insurance commissioners in satisfaction of the requirements of paragraph  
29 (3).

30 (B) When requesting that the commissioner defer to another national  
31 association of insurance commissioners accredited jurisdiction's  
32 determination, an assuming insurer shall submit a properly executed form  
33 rj-1 in accordance with the instructions and as prescribed and adopted by  
34 the national association of insurance commissioners and the commissioner  
35 of insurance and additional information as the commissioner may require.  
36 A state that has received such a request shall notify other states through the  
37 national association of insurance commissioners committee process and  
38 provide relevant information with respect to the determination of  
39 eligibility.

40 (6) If the commissioner determines that an assuming insurer no  
41 longer meets one or more of the requirements under this section, the  
42 commissioner may revoke or suspend the eligibility of the assuming  
43 insurer for recognition under this section.

1 (A) While an assuming insurer's eligibility is suspended, no  
2 reinsurance agreement issued, amended or renewed after the effective date  
3 of the suspension qualifies for credit except to the extent that the assuming  
4 insurer's obligations under the contract are secured in accordance with  
5 subsection (j).

6 (B) If an assuming insurer's eligibility is revoked, no credit for  
7 reinsurance may be granted after the effective date of the revocation with  
8 respect to any reinsurance agreements entered into by the assuming  
9 insurer, including reinsurance agreements entered into prior to the date of  
10 revocation, except to the extent that the assuming insurer's obligations  
11 under the contract are secured in a form acceptable to the commissioner  
12 and consistent with the provisions of subsection (j).

13 (7) Before denying statement credit or imposing a requirement to post  
14 security with respect to subsection (h)(6) or adopting any similar  
15 requirement that will have substantially the same regulatory impact as  
16 security, the commissioner shall:

17 (A) Communicate with the ceding insurer, the assuming insurer, and  
18 the assuming insurer's supervisory authority that the assuming insurer no  
19 longer satisfies one of the conditions listed in paragraph (3);

20 (B) provide the assuming insurer with 30 days from the initial  
21 communication to submit a plan to remedy the defect, and 90 days from  
22 the initial communication to remedy the defect, except in exceptional  
23 circumstances in which a shorter period is necessary for policyholder and  
24 other consumer protection;

25 (C) after the expiration of 90 days or less, as set out in subparagraph  
26 (B), if the commissioner determines that no or insufficient action was  
27 taken by the assuming insurer, the commissioner may impose any of the  
28 requirements as set out in this subsection; and

29 (D) provide a written explanation to the assuming insurer of any of  
30 the requirements set out in this subsection.

31 (8) If subject to a legal process of rehabilitation, liquidation or  
32 conservation, as applicable, the ceding insurer, or its representative, may  
33 seek and, if determined appropriate by the court in which the proceedings  
34 are pending, may obtain an order requiring that the assuming insurer post  
35 security for all outstanding liabilities.

36 (i) *Credit for reinsurance required by law.* Pursuant to K.S.A. 40-  
37 221a(a)(7), and amendments thereto, the commissioner shall allow credit  
38 for reinsurance ceded by a domestic insurer to an assuming insurer not  
39 meeting the requirements of K.S.A. 40-221a(a)(1) through (6), and  
40 amendments thereto, but only as to the insurance of risks located in  
41 jurisdictions where the reinsurance is required by the applicable law or  
42 regulation of that jurisdiction. As used in this section, "jurisdiction" means  
43 state, district or territory of the United States and any lawful national

1 government.

2 (j) Asset or reduction from liability for reinsurance ceded to an  
3 unauthorized assuming insurer not meeting the requirements of  
4 subsections (c) through (i).

5 (1) Pursuant to K.S.A. 40-221a(b), and amendments thereto, the  
6 commissioner shall allow a reduction from liability for reinsurance ceded  
7 by a domestic insurer to an assuming insurer not meeting the requirements  
8 of K.S.A. 40-221a(a), and amendments thereto, in an amount not  
9 exceeding the liabilities carried by the ceding insurer. The reduction shall  
10 be in the amount of funds held by or on behalf of the ceding insurer,  
11 including funds held in trust for the exclusive benefit of the ceding insurer,  
12 under a reinsurance contract with such assuming insurer as security for the  
13 payment of obligations under the reinsurance contract. The security shall  
14 be held in the United States subject to withdrawal solely by, and under the  
15 exclusive control of, the ceding insurer or, in the case of a trust, held in a  
16 qualified United States financial institution, as defined in K.S.A. 40-  
17 221a(c)(2), and amendments thereto. This security may be in the form of  
18 any of the following:

19 (A) Cash;

20 (B) securities listed by the securities valuation office of the national  
21 association of insurance commissioners, including those deemed exempt  
22 from filing, as defined by the purposes and procedures manual of the  
23 securities valuation office and qualifying as admitted assets;

24 (C) clean, irrevocable, unconditional and "evergreen" letters of credit  
25 issued or confirmed by a qualified United States institution, as defined in  
26 K.S.A. 40-221a(c), and amendments thereto, effective no later than  
27 December 31 of the year for which filing is being made, and in the  
28 possession of, or in trust for, the ceding insurer on or before the filing date  
29 of its annual statement. Letters of credit meeting applicable standards of  
30 issuer acceptability as of the dates of their issuance, or confirmation, shall,  
31 notwithstanding the issuing, or confirming, institution's subsequent failure  
32 to meet applicable standards of issuer acceptability, continue to be  
33 acceptable as security until their expiration, extension, renewal,  
34 modification or amendment, whichever occurs first; or

35 (D) any other form of security acceptable to the commissioner.

36 (2) An admitted asset or a reduction from liability for reinsurance  
37 ceded to an unauthorized assuming insurer pursuant to this section shall be  
38 allowed only when the requirements of subsection (n) and the applicable  
39 portions of subsection (k), (l) or (m) have been satisfied.

40 (k) Trust agreements qualified under subsection (j).

41 (1) As used in this subsection:

42 (A) "Beneficiary" means the entity for whose sole benefit the trust  
43 has been established and any successor of the beneficiary by operation of

1 law. If a court of law appoints a successor in interest to the named  
2 beneficiary, then the named beneficiary includes and is limited to the court  
3 appointed domiciliary receiver, including conservator, rehabilitator or  
4 liquidator.

5 (B) "Grantor" means the entity that has established a trust for the sole  
6 benefit of the beneficiary. When established in conjunction with a  
7 reinsurance agreement, the grantor is the unlicensed, unaccredited  
8 assuming insurer.

9 (C) "Obligations" means:

10 (i) Reinsured losses and allocated loss expenses paid by the ceding  
11 company, but not recovered from the assuming insurer;

12 (ii) reserves for reinsured losses reported and outstanding;

13 (iii) reserves for reinsured losses incurred but not reported; and

14 (iv) reserves for allocated reinsured loss expenses and unearned  
15 premiums.

16 (2) *Required conditions.* (A) The trust agreement shall be entered into  
17 between the beneficiary, the grantor and a trustee, that shall be a qualified  
18 United States financial institution, as defined in K.S.A. 40-221a(c)(2), and  
19 amendments thereto.

20 (B) The trust agreement shall create a trust account into which assets  
21 shall be deposited.

22 (C) All assets in the trust account shall be held by the trustee at the  
23 trustee's office in the United States.

24 (D) The trust agreement shall provide that:

25 (i) The beneficiary shall have the right to withdraw assets from the  
26 trust account at any time, without notice to the grantor, subject only to  
27 written notice from the beneficiary to the trustee;

28 (ii) no other statement or document shall be required to be presented  
29 to withdraw assets, except that the beneficiary may be required to  
30 acknowledge receipt of withdrawn assets;

31 (iii) it is not subject to any conditions or qualifications outside of the  
32 trust agreement; and

33 (iv) it shall not contain references to any other agreements or  
34 documents except as provided for in subparagraphs (K) and (L).

35 (E) The trust agreement shall be established for the sole benefit of the  
36 beneficiary.

37 (F) The trust agreement shall require the trustee to:

38 (i) Receive assets and hold all assets in a safe place;

39 (ii) determine that all assets are in such form that the beneficiary, or  
40 the trustee upon direction by the beneficiary, may whenever necessary  
41 negotiate any such assets, without consent or signature from the grantor or  
42 any other person or entity;

43 (iii) furnish to the grantor and the beneficiary a statement of all assets

1 in the trust account upon its inception and at intervals no less frequent than  
2 the end of each calendar quarter;

3 (iv) notify the grantor and the beneficiary within 10 days, of any  
4 deposits to or withdrawals from the trust account;

5 (v) upon written demand of the beneficiary, immediately take any and  
6 all steps necessary to transfer absolutely and unequivocally all right, title  
7 and interest in the assets held in the trust account to the beneficiary and  
8 deliver physical custody of the assets to the beneficiary; and

9 (vi) allow no substitutions or withdrawals of assets from the trust  
10 account, except on written instructions from the beneficiary, except that  
11 the trustee may, without the consent of but with notice to the beneficiary,  
12 upon call or maturity of any trust asset, withdraw such asset upon  
13 condition that the proceeds are paid into the trust account.

14 (G) The trust agreement shall provide that at least 30 days, but not  
15 more than 45 days, prior to termination of the trust account, written  
16 notification of termination shall be delivered by the trustee to the  
17 beneficiary.

18 (H) The trust agreement shall be made subject to, and governed by,  
19 the laws of the state in which the trust is domiciled.

20 (I) The trust agreement shall prohibit invasion of the trust corpus for  
21 the purpose of paying a commission to, or reimbursing the expenses of, the  
22 trustee. In order for a letter of credit to qualify as an asset of the trust, the  
23 trustee shall have the right and the obligation pursuant to the deed of trust  
24 or some other binding agreement, as duly approved by the commissioner,  
25 to immediately draw down the full amount of the letter of credit and hold  
26 the proceeds in trust for the beneficiaries of the trust if the letter of credit  
27 will otherwise expire without being renewed or replaced.

28 (J) The trust agreement shall provide that the trustee shall be liable  
29 for its negligence, willful misconduct or lack of good faith. The failure of  
30 the trustee to draw against the letter of credit in circumstances where such  
31 draw would be required shall be deemed to be negligence or willful  
32 misconduct.

33 (K) Notwithstanding other provisions of this section, when a trust  
34 agreement is established in conjunction with a reinsurance agreement  
35 covering risks other than life, annuities and accident and health, where it is  
36 customary practice to provide a trust agreement for a specific purpose, the  
37 trust agreement may provide that the ceding insurer shall undertake to use  
38 and apply amounts drawn upon the trust account, without diminution  
39 because of the insolvency of the ceding insurer or the assuming insurer,  
40 only for the following purposes:

41 (i) To pay or reimburse the ceding insurer for the assuming insurer's  
42 share under the specific reinsurance agreement regarding any losses and  
43 allocated loss expenses paid by the ceding insurer, but not recovered from



1 the assuming insurer, or for unearned premiums due to the ceding insurer  
2 if not otherwise paid by the assuming insurer;

3 (ii) to make payment to the assuming insurer of any amounts held in  
4 the trust account that exceed 102% of the actual amount required to fund  
5 the assuming insurer's obligations under the specific reinsurance  
6 agreement; or

7 (iii) where the ceding insurer has received notification of termination  
8 of the trust account and where the assuming insurer's entire obligations  
9 under the specific reinsurance agreement remain unliquidated and  
10 undischarged 10 days prior to the termination date, to withdraw amounts  
11 equal to the obligations and deposit those amounts in a separate account, in  
12 the name of the ceding insurer in any qualified United States financial  
13 institution, as defined in K.S.A. 40-221a(c)(2), and amendments thereto,  
14 apart from its general assets, in trust for such uses and purposes specified  
15 in clauses (i) and (ii) as may remain executory after such withdrawal and  
16 for any period after the termination date.

17 (L) Notwithstanding other provisions of this subsection, when a trust  
18 agreement is established to meet the requirements of subsection (j) in  
19 conjunction with a reinsurance agreement covering life, annuities or  
20 accident and health risks, where it is customary to provide a trust  
21 agreement for a specific purpose, the trust agreement may provide that the  
22 ceding insurer shall undertake to use and apply amounts drawn upon the  
23 trust account, without diminution because of the insolvency of the ceding  
24 insurer or the assuming insurer, only for the following purposes:

25 (i) To pay or reimburse the ceding insurer for:

26 (a) The assuming insurer's share under the specific reinsurance  
27 agreement of premiums returned, but not yet recovered from the assuming  
28 insurer, to the owners of policies reinsured under the reinsurance  
29 agreement on account of cancellations of the policies; and

30 (b) the assuming insurer's share under the specific reinsurance  
31 agreement of surrenders and benefits or losses paid by the ceding insurer,  
32 but not yet recovered from the assuming insurer, under the terms and  
33 provisions of the policies reinsured under the reinsurance agreement;

34 (ii) to pay to the assuming insurer amounts held in the trust account in  
35 excess of the amount necessary to secure the credit or reduction from  
36 liability for reinsurance taken by the ceding insurer; or

37 (iii) where the ceding insurer has received notification of termination  
38 of the trust and where the assuming insurer's entire obligations under the  
39 specific reinsurance agreement remain unliquidated and undischarged 10  
40 days prior to the termination date, to withdraw amounts equal to the  
41 assuming insurer's share of liabilities, to the extent that the liabilities have  
42 not yet been funded by the assuming insurer, and deposit those amounts in  
43 a separate account, in the name of the ceding insurer in any qualified

1 United States financial institution apart from its general assets, in trust for  
2 the uses and purposes specified in clauses (i) and (ii) as may remain  
3 executory after withdrawal and for any period after the termination date.

4 (M) Either the reinsurance agreement or the trust agreement shall  
5 stipulate that assets deposited in the trust account shall be valued  
6 according to their current fair market value and shall consist only of cash  
7 in United States dollars, certificates of deposit issued by a United States  
8 bank and payable in United States dollars, and investments permitted by  
9 the insurance code or any combination of the above, provided investments  
10 in or issued by an entity controlling, controlled by or under common  
11 control with either the grantor or the beneficiary of the trust shall not  
12 exceed 5% of total investments. The agreement may further specify the  
13 types of investments to be deposited. If the reinsurance agreement covers  
14 life, annuities or accident and health risks, then the provisions required by  
15 this paragraph shall be included in the reinsurance agreement.

16 (3) *Permitted conditions.* (A) The trust agreement may provide that  
17 the trustee may resign upon delivery of a written notice of resignation,  
18 effective not less than 90 days after the beneficiary and grantor receive the  
19 notice and that the trustee may be removed by the grantor by delivery to  
20 the trustee and the beneficiary of a written notice of removal, effective not  
21 less than 90 days after the trustee and the beneficiary receive the notice,  
22 provided that no such resignation or removal shall be effective until a  
23 successor trustee has been duly appointed and approved by the beneficiary  
24 and the grantor and all assets in the trust have been duly transferred to the  
25 new trustee.

26 (B) The grantor may have the full and unqualified right to vote any  
27 shares of stock in the trust account and to receive from time to time  
28 payments of any dividends or interest upon any shares of stock or  
29 obligations included in the trust account. Any interest or dividends shall be  
30 either forwarded promptly upon receipt to the grantor or deposited in a  
31 separate account established in the grantor's name.

32 (C) The trustee may be given authority to invest, and accept  
33 substitutions of, any funds in the account, provided that no investment or  
34 substitution shall be made without prior approval of the beneficiary, unless  
35 the trust agreement specifies categories of investments acceptable to the  
36 beneficiary and authorizes the trustee to invest funds and to accept  
37 substitutions that the trustee determines are at least equal in current fair  
38 market value to the assets withdrawn and that are consistent with the  
39 restrictions in paragraph (4)(A)(ii).

40 (D) The trust agreement may provide that the beneficiary may at any  
41 time designate a party to which all or part of the trust assets are to be  
42 transferred. Transfer may be conditioned upon the trustee receiving, prior  
43 to or simultaneously, other specified assets.

1 (E) The trust agreement may provide that, upon termination of the  
2 trust account, all assets not previously withdrawn by the beneficiary shall,  
3 with written approval by the beneficiary, be delivered over to the grantor.

4 (4) *Additional conditions applicable to reinsurance agreements.* (A)  
5 A reinsurance agreement may contain provisions that:

6 (i) Require the assuming insurer to enter into a trust agreement and to  
7 establish a trust account for the benefit of the ceding insurer, and  
8 specifying what the agreement is to cover;

9 (ii) require the assuming insurer, prior to depositing assets with the  
10 trustee, to execute assignments or endorsements in blank, or to transfer  
11 legal title to the trustee of all shares, obligations or any other assets  
12 requiring assignments, in order that the ceding insurer, or the trustee upon  
13 the direction of the ceding insurer, may whenever necessary negotiate  
14 these assets without consent or signature from the assuming insurer or any  
15 other entity;

16 (iii) require that all settlements of account between the ceding insurer  
17 and the assuming insurer be made in cash or its equivalent; and

18 (iv) stipulate that the assuming insurer and the ceding insurer agree  
19 that the assets in the trust account, established pursuant to the provisions of  
20 the reinsurance agreement, may be withdrawn by the ceding insurer at any  
21 time, notwithstanding any other provisions in the reinsurance agreement,  
22 and shall be utilized and applied by the ceding insurer or its successors in  
23 interest by operation of law, including without limitation any liquidator,  
24 rehabilitator, receiver or conservator of such company, without diminution  
25 because of insolvency on the part of the ceding insurer or the assuming  
26 insurer, only for the following purposes:

27 (a) To pay or reimburse the ceding insurer for:

28 (1) The assuming insurer's share under the specific reinsurance  
29 agreement of premiums returned, but not yet recovered from the assuming  
30 insurer, to the owners of policies reinsured under the reinsurance  
31 agreement because of cancellations of such policies;

32 (2) the assuming insurer's share of surrenders and benefits or losses  
33 paid by the ceding insurer pursuant to the provisions of the policies  
34 reinsured under the reinsurance agreement; and

35 (3) any other amounts necessary to secure the credit or reduction  
36 from liability for reinsurance taken by the ceding insurer;

37 (b) to make payment to the assuming insurer of amounts held in the  
38 trust account in excess of the amount necessary to secure the credit or  
39 reduction from liability for reinsurance taken by the ceding insurer.

40 (B) The reinsurance agreement also may contain provisions that:

41 (i) Give the assuming insurer the right to seek approval from the  
42 ceding insurer, which shall not be unreasonably or arbitrarily withheld, to  
43 withdraw from the trust account all or any part of the trust assets and

1 transfer those assets to the assuming insurer, provided:

2 (a) The assuming insurer shall, at the time of withdrawal, replace the  
3 withdrawn assets with other qualified assets having a current fair market  
4 value equal to the market value of the assets withdrawn so as to maintain  
5 at all times the deposit in the required amount; or

6 (b) after withdrawal and transfer, the current fair market value of the  
7 trust account is no less than 102% of the required amount;

8 (ii) provide for the return of any amount withdrawn in excess of the  
9 actual amounts required for subsection (k)(4)(A)(iv), and for interest  
10 payments at a rate not in excess of the prime rate of interest on such  
11 amounts;

12 (iii) permit the award by any arbitration panel or court of competent  
13 jurisdiction of:

14 (a) Interest at a rate different from that provided in subparagraph (ii)  
15 of this paragraph;

16 (b) court or arbitration costs;

17 (c) attorney's fees; and

18 (d) any other reasonable expenses.

19 (5) *Financial reporting.* A trust agreement may be used to reduce any  
20 liability for reinsurance ceded to an unauthorized assuming insurer in  
21 financial statements required to be filed with this department in  
22 compliance with the provisions of this section when established on or  
23 before the date of filing of the financial statement of the ceding insurer.  
24 Further, the reduction for the existence of an acceptable trust account may  
25 be up to the current fair market value of acceptable assets available to be  
26 withdrawn from the trust account at that time, but such reduction shall be  
27 no greater than the specific obligations under the reinsurance agreement  
28 that the trust account was established to secure.

29 (6) The failure of any trust agreement to specifically identify the  
30 beneficiary, as defined in paragraph (1), shall not be construed to affect  
31 any actions or rights that the commissioner may take or possess pursuant  
32 to the provisions of the laws of this state.

33 (l) *Letters of credit qualified under subsection (j)(1).* (1) The letter of  
34 credit shall be clean, irrevocable, unconditional and issued or confirmed  
35 by a qualified United States financial institution, as defined in K.S.A. 40-  
36 221a(c)(1), and amendments thereto. The letter of credit shall contain an  
37 issue date and expiration date and shall stipulate that the beneficiary need  
38 only draw a sight draft under the letter of credit and present it to obtain  
39 funds and that no other document need be presented. The letter of credit  
40 also shall indicate that it is not subject to any condition or qualifications  
41 outside of the letter of credit. In addition, the letter of credit itself shall not  
42 contain reference to any other agreements, documents or entities, except as  
43 provided in subsection (m)(8)(A). As used in this subsection, "beneficiary"

1 means the domestic insurer for whose benefit the letter of credit has been  
2 established and any successor of the beneficiary by operation of law. If a  
3 court of law appoints a successor in interest to the named beneficiary, then  
4 the named beneficiary includes and is limited to the court appointed  
5 domiciliary receiver, including conservator, rehabilitator or liquidator.

6 (2) The heading of the letter of credit may include a boxed section  
7 containing the name of the applicant and other appropriate notations to  
8 provide a reference for the letter of credit. The boxed section shall be  
9 clearly marked to indicate that such information is for internal  
10 identification purposes only.

11 (3) The letter of credit shall contain a statement to the effect that the  
12 obligation of the qualified United States financial institution under the  
13 letter of credit is in no way contingent upon reimbursement with respect  
14 thereto.

15 (4) The term of the letter of credit shall be for at least one year and  
16 shall contain an "evergreen clause" that prevents the expiration of the letter  
17 of credit without due notice from the issuer. The "evergreen clause" shall  
18 provide for a period of no less than 30 days notice prior to expiration date  
19 or nonrenewal.

20 (5) The letter of credit shall state whether it is subject to and  
21 governed by the laws of this state or the uniform customs and practice for  
22 documentary credits of the international chamber of commerce publication  
23 600, UCP 600, or international standby practices of the international  
24 chamber of commerce publication 590, ISP98, or any successor  
25 publication, and all drafts drawn thereunder shall be presentable at an  
26 office in the United States of a qualified United States financial institution.

27 (6) If the letter of credit is made subject to the uniform customs and  
28 practice for documentary credits of the international chamber of commerce  
29 publication 600, UCP 600, or international standby practices of the  
30 international chamber of commerce publication 590, ISP98, or any  
31 successor publication, then the letter of credit shall specifically address  
32 and provide for an extension of time to draw against the letter of credit in  
33 the event that one or more of the occurrences specified in article 36 of  
34 publication 600 or any other successor publication, occur.

35 (7) If the letter of credit is issued by a financial institution authorized  
36 to issue letters of credit, other than a qualified United States financial  
37 institution as described in subsection (m)(1), then the following additional  
38 requirements shall be met:

39 (A) The issuing financial institution shall formally designate the  
40 confirming qualified United States financial institution as its agent for the  
41 receipt and payment of the drafts; and

42 (B) the "evergreen clause" shall provide for 30 days' notice prior to  
43 the expiration date for nonrenewal.

1       (8) *Reinsurance agreement provisions.* (A) The reinsurance  
2 agreement in conjunction with which the letter of credit is obtained may  
3 contain provisions that:

4       (i) Require the assuming insurer to provide letters of credit to the  
5 ceding insurer and specify what they are to cover;

6       (ii) stipulate that the assuming insurer and ceding insurer agree that  
7 the letter of credit provided by the assuming insurer pursuant to the  
8 provisions of the reinsurance agreement may be drawn upon at any time,  
9 notwithstanding any other provisions in the agreement, and shall be  
10 utilized by the ceding insurer or its successors in interest only for one or  
11 more of the following reasons:

12       (a) To pay or reimburse the ceding insurer for:

13       (1) The assuming insurer's share under the specific reinsurance  
14 agreement of premiums returned, but not yet recovered from the assuming  
15 insurers, to the owners of policies reinsured under the reinsurance  
16 agreement on account of cancellations of such policies;

17       (2) the assuming insurer's share, under the specific reinsurance  
18 agreement, of surrenders and benefits or losses paid by the ceding insurer,  
19 but not yet recovered from the assuming insurers, under the terms and  
20 provisions of the policies reinsured under the reinsurance agreement; and

21       (3) any other amounts necessary to secure the credit or reduction  
22 from liability for reinsurance taken by the ceding insurer;

23       (b) where the letter of credit will expire without renewal or be  
24 reduced or replaced by a letter of credit for a reduced amount and where  
25 the assuming insurer's entire obligations under the reinsurance agreement  
26 remain unliquidated and undischarged 10 days prior to the termination  
27 date, to withdraw amounts equal to the assuming insurer's share of the  
28 liabilities, to the extent that the liabilities have not yet been funded by the  
29 assuming insurer and exceed the amount of any reduced or replacement  
30 letter of credit, and deposit those amounts in a separate account in the  
31 name of the ceding insurer in a qualified United States financial institution  
32 apart from its general assets, in trust for such uses and purposes specified  
33 in paragraph (8)(A)(ii)(a) as may remain after withdrawal and for any  
34 period after the termination date; and

35       (iii) all of the provisions of subparagraph (A) shall be applied without  
36 diminution because of insolvency on the part of the ceding insurer or  
37 assuming insurer.

38       (B) Nothing contained in subparagraph (A) shall preclude the ceding  
39 insurer and assuming insurer from providing for:

40       (i) An interest payment, at a rate not in excess of the prime rate of  
41 interest, on the amounts held pursuant to paragraph (8)(A)(ii); or

42       (ii) the return of any amounts drawn down on the letters of credit in  
43 excess of the actual amounts required for the above or any amounts that

1 are subsequently determined not to be due.

2 (m) *Other security*. A ceding insurer may take credit for  
3 unencumbered funds withheld by the ceding insurer in the United States  
4 subject to withdrawal solely by the ceding insurer and under its exclusive  
5 control.

6 (n) *Reinsurance contract*. Credit will not be granted, nor an asset or  
7 reduction from liability allowed, to a ceding insurer for reinsurance  
8 effected with assuming insurers meeting the requirements of subsection  
9 (c), (d), (e), (f), (g), (h), or (j) or otherwise in compliance with K.S.A. 40-  
10 221a(a), and amendments thereto, after the adoption of this section unless  
11 the reinsurance agreement:

12 (1) Includes a proper insolvency clause, that stipulates that  
13 reinsurance is payable directly to the liquidator or successor without  
14 diminution regardless of the status of the ceding company;

15 (2) includes a provision pursuant to K.S.A. 40-221a(a), and  
16 amendments thereto, whereby the assuming insurer, if an unauthorized  
17 assuming insurer, has submitted to the jurisdiction of an alternative dispute  
18 resolution panel or court of competent jurisdiction within the United  
19 States, has agreed to comply with all requirements necessary to give the  
20 court or panel jurisdiction, has designated an agent upon whom service of  
21 process may be effected, and has agreed to abide by the final decision of  
22 the court or panel; and

23 (3) includes a proper reinsurance intermediary clause, if applicable,  
24 that stipulates that the credit risk for the intermediary is carried by the  
25 assuming insurer.

26 Sec. 4. K.S.A. 41-353 is hereby amended to read as follows: 41-353.

27 (a) Before making or causing any shipment of alcoholic liquor to Kansas  
28 residents, a fulfillment house shall pay a \$50 license fee and obtain such  
29 license that will be applicable for each location that is involved in the  
30 shipping process to Kansas residents. A fulfillment house license shall  
31 commence on the date specified on the license and expire two years after  
32 such date. The holder of a fulfillment house license may only provide  
33 services for the warehousing, packaging and shipping of alcoholic liquors  
34 produced by, and belonging to, a special order shipping licensee in  
35 accordance with K.S.A. 41-350, and amendments thereto. A fulfillment  
36 house licensee shall make reasonable efforts to confirm that any winery  
37 that they ship alcoholic liquor for holds a special order shipping license  
38 and may rely on the representations of each such winery for such  
39 assurance.

40 (b) As part of a fulfillment house license application, the applicant  
41 shall provide any information as required by rules and regulations adopted  
42 by the director and contained in the fulfillment house license application  
43 form established by the director.

1 (c) If the holder of the license is an out-of-state entity, the licensee  
2 shall be deemed to have appointed the secretary of state as the resident  
3 agent and representative of the licensee to accept service of process from  
4 the secretary of revenue, the director and the courts of this state concerning  
5 enforcement of this section, K.S.A. 41-501 et seq., and amendments  
6 thereto, and any rules and regulations adopted thereunder and to accept  
7 service of any notice or order provided for in the liquor control act.

8 (d) (1) A fulfillment house licensee shall ensure all containers of  
9 alcoholic liquors shipped directly to an individual in this state are labeled  
10 with the name, address and license number of the fulfillment house  
11 licensee. All such containers shall contain a conspicuously printed  
12 statement of "SIGNATURE OF PERSON AGE 21 OR OLDER  
13 REQUIRED FOR DELIVERY".

14 (2) All containers of alcoholic liquors shipped directly to a resident of  
15 this state shall be shipped using a common carrier pursuant to K.S.A. 41-  
16 725, and amendments thereto.

17 (e) (1) A fulfillment house licensee shall:

18 (A) Maintain records of all shipments for a minimum of three years  
19 after the shipment date, that shall include the:

20 (i) Name, address and license number of the special order shipping  
21 licensee;

22 (ii) name and license number of the express company or common  
23 carrier;

24 (iii) date of each shipment;

25 (iv) carrier tracking number;

26 (v) name and address of the consignee of such alcoholic liquors; and

27 (vi) weight of the package and product type of alcoholic liquors  
28 shipped.

29 (B) Submit these records as an electronic report to the director  
30 monthly in the form and format prescribed by the director.

31 (2) Reports submitted pursuant to this subsection shall be open  
32 records available for public inspection in accordance with the open records  
33 act. Any information relating to the name or address of a consignee of any  
34 alcoholic liquors shall be redacted from the reports that are made available  
35 for public inspection. ~~The provisions of this paragraph providing for the~~  
36 ~~confidentiality of certain public records shall expire on July 1, 2026,~~  
37 ~~unless the legislature reviews and reenacts such provisions in accordance~~  
38 ~~with K.S.A. 45-229, and amendments thereto, prior to July 1, 2026.~~

39 (f) A fulfillment house that willfully fails, neglects or refuses to file  
40 any report pursuant to subsection (e) shall be subject to a civil penalty of  
41 not more than \$100. After notice and an opportunity for hearing in  
42 accordance with the Kansas administrative procedure act, the director may  
43 refuse to issue or renew or may revoke a fulfillment house license upon a



1 finding that the licensee has failed to comply with any provision of this  
2 section.

3 (g) The secretary of revenue shall adopt rules and regulations to  
4 implement, administer and enforce the provisions of this section.

5 (h) The provisions of this section shall be a part of and supplemental  
6 to the Kansas liquor control act.

7 Sec. 5. K.S.A. 2025 Supp. 45-229 is hereby amended to read as  
8 follows: 45-229. (a) It is the intent of the legislature that exceptions to  
9 disclosure under the open records act shall be created or maintained only  
10 if:

11 (1) The public record is of a sensitive or personal nature concerning  
12 individuals;

13 (2) the public record is necessary for the effective and efficient  
14 administration of a governmental program; or

15 (3) the public record affects confidential information.

16 The maintenance or creation of an exception to disclosure must be  
17 compelled as measured by these criteria. Further, the legislature finds that  
18 the public has a right to have access to public records unless the criteria in  
19 this section for restricting such access to a public record are met and the  
20 criteria are considered during legislative review in connection with the  
21 particular exception to disclosure to be significant enough to override the  
22 strong public policy of open government. To strengthen the policy of open  
23 government, the legislature shall consider the criteria in this section before  
24 enacting an exception to disclosure.

25 (b) Subject to the provisions of subsections (g) and (h), any new  
26 exception to disclosure or substantial amendment of an existing exception  
27 shall expire on July 1 of the fifth year after enactment of the new  
28 exception or substantial amendment, unless the legislature acts to continue  
29 the exception. A law that enacts a new exception or substantially amends  
30 an existing exception shall state that the exception expires at the end of  
31 five years and that the exception shall be reviewed by the legislature  
32 before the scheduled date.

33 (c) For purposes of this section, an exception is substantially  
34 amended if the amendment expands the scope of the exception to include  
35 more records or information. An exception is not substantially amended if  
36 the amendment narrows the scope of the exception.

37 (d) This section is not intended to repeal an exception that has been  
38 amended following legislative review before the scheduled repeal of the  
39 exception if the exception is not substantially amended as a result of the  
40 review.

41 (e) In the year before the expiration of an exception, the revisor of  
42 statutes shall certify to the president of the senate and the speaker of the  
43 house of representatives, by July 15, the language and statutory citation of

1 each exception that will expire in the following year that meets the criteria  
2 of an exception as defined in this section. Any exception that is not  
3 identified and certified to the president of the senate and the speaker of the  
4 house of representatives is not subject to legislative review and shall not  
5 expire. If the revisor of statutes fails to certify an exception that the revisor  
6 subsequently determines should have been certified, the revisor shall  
7 include the exception in the following year's certification after that  
8 determination.

9 (f) "Exception" means any provision of law that creates an exception  
10 to disclosure or limits disclosure under the open records act pursuant to  
11 K.S.A. 45-221, and amendments thereto, or pursuant to any other  
12 provision of law.

13 (g) A provision of law that creates or amends an exception to  
14 disclosure under the open records law shall not be subject to review and  
15 expiration under this act if such provision:

- 16 (1) Is required by federal law;
- 17 (2) applies solely to the legislature or to the state court system;
- 18 (3) has been reviewed and continued in existence twice by the  
19 legislature;
- 20 (4) has been reviewed and continued in existence by the legislature  
21 during the 2013 legislative session and thereafter; or
- 22 (5) is a report of the results of an audit conducted by the United  
23 States cybersecurity and infrastructure security agency.

24 (h) (1) The legislature shall review the exception before its scheduled  
25 expiration and consider as part of the review process the following:

- 26 (A) What specific records are affected by the exception;
- 27 (B) whom does the exception uniquely affect, as opposed to the  
28 general public;
- 29 (C) what is the identifiable public purpose or goal of the exception;
- 30 (D) whether the information contained in the records may be obtained  
31 readily by alternative means and how it may be obtained;

32 (2) an exception may be created or maintained only if it serves an  
33 identifiable public purpose and may be no broader than is necessary to  
34 meet the public purpose it serves. An identifiable public purpose is served  
35 if the legislature finds that the purpose is sufficiently compelling to  
36 override the strong public policy of open government and cannot be  
37 accomplished without the exception and if the exception:

- 38 (A) Allows the effective and efficient administration of a  
39 governmental program that would be significantly impaired without the  
40 exception;
- 41 (B) protects information of a sensitive personal nature concerning  
42 individuals, the release of such information would be defamatory to such  
43 individuals or cause unwarranted damage to the good name or reputation

1 of such individuals or would jeopardize the safety of such individuals.  
2 Only information that would identify the individuals may be excepted  
3 under this paragraph; or

4 (C) protects information of a confidential nature concerning entities,  
5 including, but not limited to, a formula, pattern, device, combination of  
6 devices, or compilation of information that is used to protect or further a  
7 business advantage over those who do not know or use it, if the disclosure  
8 of such information would injure the affected entity in the marketplace.

9 (3) Records made before the date of the expiration of an exception  
10 shall be subject to disclosure as otherwise provided by law. In deciding  
11 whether the records shall be made public, the legislature shall consider  
12 whether the damage or loss to persons or entities uniquely affected by the  
13 exception of the type specified in paragraph (2)(B) or (2)(C) would occur  
14 if the records were made public.

15 (i) (1) Exceptions contained in the following statutes as continued in  
16 existence in section 2 of chapter 126 of the 2005 Session Laws of Kansas  
17 and that have been reviewed and continued in existence twice by the  
18 legislature as provided in subsection (g) are hereby continued in existence:  
19 1-401, 2-1202, 5-512, 9-1137, 9-1712, 9-2217, 10-630, 12-189, 12-1,108,  
20 12-1694, 12-1698, 12-2819, 12-4516, 16-715, 16a-2-304, 17-1312e, 17-  
21 2227, 17-5832, 17-7511, 17-76,139, 19-4321, 21-2511, 22-3711, 22-4707,  
22 22-4909, 22a-243, 22a-244, 23-605, 23-9,312, 25-4161, 25-4165, 31-405,  
23 34-251, 38-2212, 39-709b, 39-719e, 39-934, 39-1434, 39-1704, 40-222,  
24 40-2,156, 40-2c20, 40-2c21, 40-2d20, 40-2d21, 40-409, 40-956, 40-1128,  
25 40-2807, 40-3012, 40-3304, 40-3308, 40-3403b, 40-3421, 40-3613, 40-  
26 3805, 40-4205, 44-510j, 44-550b, 44-594, 44-635, 44-714, 44-817, 44-  
27 1005, 44-1019, 45-221(a)(1) through (43), 46-256, 46-259, 46-2201, 47-  
28 839, 47-844, 47-849, 47-1709, 48-1614, 49-406, 49-427, 55-1,102, 58-  
29 4114, 59-2135, 59-2802, 59-2979, 59-29b79, 60-3333, 60-3336, 65-102b,  
30 65-118, 65-119, 65-153f, 65-170g, 65-177, 65-1,106, 65-1,113, 65-1,116,  
31 65-1,157a, 65-1,163, 65-1,165, 65-1,168, 65-1,169, 65-1,171, 65-1,172,  
32 65-436, 65-445, 65-507, 65-525, 65-531, 65-657, 65-1135, 65-1467, 65-  
33 1627, 65-1831, 65-2422d, 65-2438, 65-2836, 65-2839a, 65-2898a, 65-  
34 3015, 65-3447, 65-34,108, 65-34,126, 65-4019, 65-4922, 65-4925, 65-  
35 5602, 65-5603, 65-6002, 65-6003, 65-6004, 65-6010, 65-67a05, 65-6803,  
36 65-6804, 66-101c, 66-117, 66-151, 66-1,190, 66-1,203, 66-1220a, 66-  
37 2010, 72-2232, 72-3438, 72-6116, 72-6267, 72-9934, 73-1228, 74-2424,  
38 74-2433f, 74-32,419, 74-4905, 74-4909, 74-50,131, 74-5515, 74-7308, 74-  
39 7338, 74-8104, 74-8307, 74-8705, 74-8804, 74-9805, 75-104, 75-712, 75-  
40 7b15, 75-1267, 75-2943, 75-4332, 75-4362, 75-5133, 75-5266, 75-5665,  
41 75-5666, 75-7310, 76-355, 76-359, 76-493, 76-12b11, 76-12c03, 76-3305,  
42 79-1119, 79-1437f, 79-3234, 79-3395, 79-3420, 79-3499, 79-34,113, 79-  
43 3614, 79-3657, 79-4301 and 79-5206.

(2) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) and that have been reviewed during the 2015 legislative session and continued in existence by the legislature as provided in subsection (g) are hereby continued in existence: 17-2036, 40-5301, 45-221(a)(45), (46) and (49), 48-16a10, 58-4616, 60-3351, 72-3415, 74-50,217 and 75-53,105.

(j) (1) Exceptions contained in the following statutes as continued in existence in section 1 of chapter 87 of the 2006 Session Laws of Kansas and that have been reviewed and continued in existence twice by the legislature as provided in subsection (g) are hereby continued in existence: 1-501, 9-1303, 12-4516a, 39-970, 65-525, 65-5117, 65-6016, 65-6017 and 74-7508.

(2) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) during 2015 and that have been reviewed during the 2016 legislative session are hereby continued in existence: 12-5611, 22-4906, 22-4909, 38-2310, 38-2311, 38-2326, 40-955, 44-1132, 45-221(a)(10)(F) and (a)(50), 60-3333, 65-4a05, 65-445(g), 65-6154, 71-218, 75-457, 75-712c, 75-723 and 75-7c06.

(k) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) and that have been reviewed during the 2014 legislative session and continued in existence by the legislature as provided in subsection (g) are hereby continued in existence: 1-205, 2-2204, 8-240, 8-247, 8-255c, 8-1324, 8-1325, 12-17,150, 12-2001, 17-12a607, 38-1008, 38-2209, 40-5006, 40-5108, 41-2905, 41-2906, 44-706, 44-1518, 45-221(a)(44), (45), (46), (47) and (48), 50-6a11, 65-1,243, 65-16,104, 65-3239, 74-50,184, 74-8134, 74-99b06, 77-503a and 82a-2210.

(l) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) during 2016 and that have been reviewed during the 2017 legislative session are hereby continued in existence: 12-5711, 21-2511, 22-4909, 38-2313, 45-221(a)(51) and (52), 65-516, 65-1505, 74-2012, 74-5607, 74-8745, 74-8752, 74-8772, 75-7d01, 75-7d05, 75-5133, 75-7427 and 79-3234.

(m) Exceptions contained in the following statutes as certified by the revisor of statutes to the president of the senate and the speaker of the house of representatives pursuant to subsection (e) during 2012 and that have been reviewed during the 2013 legislative session and continued in existence by the legislature as provided in subsection (g) are hereby continued in existence: 12-5811, 40-222, 40-223j, 40-5007a, 40-5009a,

1 40-5012a, 65-1685, 65-1695, 65-2838a, 66-1251, 66-1805, 72-8268, 75-  
2 712 and 75-5366.

3 (n) Exceptions contained in the following statutes as certified by the  
4 revisor of statutes to the president of the senate and the speaker of the  
5 house of representatives pursuant to subsection (e) and that have been  
6 reviewed during the 2018 legislative session are hereby continued in  
7 existence: 9-513c(c)(2), 39-709, 45-221(a)(26), (53) and (54), 65-6832,  
8 65-6834, 75-7c06 and 75-7c20.

9 (o) Exceptions contained in the following statutes as certified by the  
10 revisor of statutes to the president of the senate and the speaker of the  
11 house of representatives pursuant to subsection (e) that have been  
12 reviewed during the 2019 legislative session are hereby continued in  
13 existence: 21-2511(h)(2), 21-5905(a)(7), 22-2302(b) and (c), 22-2502(d)  
14 and (e), 40-222(k)(7), 44-714(e), 45-221(a)(55), 46-1106(g) regarding 46-  
15 1106(i), 65-2836(i), 65-2839a(c), 65-2842(d), 65-28a05(n), article 6(d) of  
16 65-6230, 72-6314(a) and 74-7047(b).

17 (p) Exceptions contained in the following statutes as certified by the  
18 revisor of statutes to the president of the senate and the speaker of the  
19 house of representatives pursuant to subsection (e) that have been  
20 reviewed during the 2020 legislative session are hereby continued in  
21 existence: 38-2310(c), 40-409(j)(2), 40-6007(a), 45-221(a)(52), 46-1129,  
22 59-29a22(b)(10) and 65-6747.

23 (q) Exceptions contained in the following statutes as certified by the  
24 revisor of statutes to the president of the senate and the speaker of the  
25 house of representatives pursuant to subsection (e) that have been  
26 reviewed during the 2021 legislative session are hereby continued in  
27 existence: 22-2302(c)(4)(J) and (c)(6)(B), 22-2502(e)(4)(J) and (e)(6)(B)  
28 and 65-6111(d)(4).

29 (r) Exceptions contained in the following statutes as certified by the  
30 revisor of statutes to the president of the senate and the speaker of the  
31 house of representatives pursuant to subsection (e) that have been  
32 reviewed during the 2023 legislative session are hereby continued in  
33 existence: 2-3902 and 66-2020.

34 (s) Exceptions contained in the following statutes as certified by the  
35 revisor of statutes to the president of the senate and the speaker of the  
36 house of representatives pursuant to subsection (e) that have been  
37 reviewed during the 2024 legislative session are hereby continued in  
38 existence: 2-3906, 2-3907, 41-511, 50-6,109a and 74-50,227.

39 (t) Exceptions contained in the following statutes as certified by the  
40 revisor of statutes to the president of the senate and the speaker of the  
41 house of representatives pursuant to subsection (e) that have been  
42 reviewed during the 2025 legislative session are hereby continued in  
43 existence: 48-962 and 65-7616.

1       (u) Exceptions contained in the following statutes as certified by the  
2 *revisor of statutes to the president of the senate and the speaker of the*  
3 *house of representatives pursuant to subsection (e) that have been*  
4 *reviewed during the 2026 legislative session are hereby continued in*  
5 *existence: 8-2,158, 22a-243, 40-221b, 41-353 and 75-782.*

6       Sec. 6. K.S.A. 2025 Supp. 75-782 is hereby amended to read as  
7 follows: 75-782. (a) The attorney general shall appoint a Kansas elder and  
8 dependent adult abuse multidisciplinary team coordinator and, within the  
9 limits of appropriations available therefor, such additional staff as  
10 necessary to support the coordinator. The coordinator shall facilitate the  
11 convening of an elder and dependent adult abuse multidisciplinary team in  
12 each judicial district.

13       (b) (1) Such teams shall be composed of the following individuals, or  
14 their designee:

15       (A) The sheriff of each county within the judicial district;

16       (B) the county or district attorney of each county within the judicial  
17 district;

18       (C) the secretary for children and families;

19       (D) the secretary for aging and disability services; and

20       (E) the state long-term care ombudsman.

21       (2) Such teams may also include the following individuals:

22       (A) A representative from any law enforcement agency not included  
23 in subsection (b)(1)(A);

24       (B) a medical provider;

25       (C) a legal services provider;

26       (D) a housing provider or representative of elder or dependent adult  
27 housing facilities;

28       (E) the district coroner or a medical examiner;

29       (F) a representative of the financial services or banking industry;

30       (G) a representative of the area agencies on aging; or

31       (H) any other individual deemed necessary by the team.

32       (c) Such team:

33       (1) Shall coordinate investigations of elder and dependent adult abuse  
34 as defined by K.S.A. 21-5417, 39-1401 et seq. and 39-1430 et seq., and  
35 amendments thereto; and

36       (2) may identify opportunities within local jurisdictions to improve  
37 policies and procedures in the notification and response to abuse, neglect  
38 and exploitation of elder or dependent adults, within the limits of local  
39 resources.

40       (d) Such team shall determine~~the~~ the manner and frequency of  
41 meetings, but shall not meet less than quarterly. The team may create and  
42 enter into memorandums of understanding with any governmental agency  
43 or private entity deemed necessary by the team.

1 (e) All documents, materials or other information obtained by or  
2 discussed by the team shall be confidential and privileged and not be  
3 subject to the provisions of the Kansas open records act as provided by  
4 K.S.A. 45-215 et seq., and amendments thereto. ~~The provisions of this~~  
5 ~~subsection shall expire on July 1, 2026, unless the legislature reviews and~~  
6 ~~reenacts this provision pursuant to K.S.A. 45-229, and amendments~~  
7 ~~thereto, prior to July 1, 2026.~~

8 (f) Meetings conducted pursuant to this section shall not be subject to  
9 the provisions of the Kansas open meetings act as provided by K.S.A. 75-  
10 4317 et seq., and amendments thereto.

11 (g) On or before the first day of each regular session of the  
12 legislature, beginning with the 2022 regular session, the attorney general  
13 shall submit a report to the legislature on the implementation and use of  
14 the teams.

15 Sec. 7. K.S.A. 8-2,158, 40-221b and 41-353 and K.S.A. 2025 Supp.  
16 22a-243, 45-229 and 75-782 are hereby repealed.

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