

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

1 AN ACT concerning the Kansas open records act (KORA); relating to
2 public records; continuing in existence certain exceptions to the
3 disclosure thereof; amending K.S.A. 8-2,158, 40-221b and 41-353 and
4 K.S.A. 2025 Supp. 22a-243, 45-229 and 75-782 and repealing the
5 existing sections.
6

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

8 Section 1. K.S.A. 8-2,158 is hereby amended to read as follows: 8-
9 2,158. (a) Not later than July 1, 2022, the division of vehicles shall
10 maintain in its files a record of the name, address and telephone number of
11 each individual that the holder of a valid driver's license, instruction permit
12 or non-driver's identification card, as provided in K.S.A. 8-1324, and
13 amendments thereto, authorizes to be contacted in the event that the holder
14 is injured or dies in a vehicular accident or another emergency situation.

15 (b) (1) A record maintained by the division under subsection (a) shall
16 be confidential and shall not be subject to the provisions of the Kansas
17 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.~~

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

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

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

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

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

30 (2) include a statement that describes the confidential nature of the
31 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	7 Best	8 S&P	9 Moody's	10 Fitch
Secure - 1	A++	AAA	Aaa	AAA
Secure - 2	A+	AA+, AA*	Aa1, Aa2, Aa3	AA+, AA, AA-
Secure - 3	A	A+, A	A1, A2	A+, A
Secure - 4	A-	A-	A3	A-
Secure - 5	B++, B+	BBB+, BBB*	Baa1, Baa2, Baa3	BBB+, BBB, BBB-
14 Vulnerable				
- 6	B, B-, C++, C+*	BB+, BB, BB-, B+, B, C, C-, D*	Ba1, Ba2, Ba3, B1, B2, B3, Caa, CC,	BB+, BB, BB-, B+, B* B-, CCC+, CC, CCC-, DD*
E, F	C, D, R		Ca, C	

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 cedent; 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 (I) *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-
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.

1 (2) 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) and that have been
4 reviewed during the 2015 legislative session and continued in existence by
5 the legislature as provided in subsection (g) are hereby continued in
6 existence: 17-2036, 40-5301, 45-221(a)(45), (46) and (49), 48-16a10, 58-
7 4616, 60-3351, 72-3415, 74-50,217 and 75-53,105.

8 (j) (1) Exceptions contained in the following statutes as continued in
9 existence in section 1 of chapter 87 of the 2006 Session Laws of Kansas
10 and that have been reviewed and continued in existence twice by the
11 legislature as provided in subsection (g) are hereby continued in existence:
12 1-501, 9-1303, 12-4516a, 39-970, 65-525, 65-5117, 65-6016, 65-6017 and
13 74-7508.

14 (2) Exceptions contained in the following statutes as certified by the
15 revisor of statutes to the president of the senate and the speaker of the
16 house of representatives pursuant to subsection (e) during 2015 and that
17 have been reviewed during the 2016 legislative session are hereby
18 continued in existence: 12-5611, 22-4906, 22-4909, 38-2310, 38-2311, 38-
19 2326, 40-955, 44-1132, 45-221(a)(10)(F) and (a)(50), 60-3333, 65-4a05,
20 65-445(g), 65-6154, 71-218, 75-457, 75-712c, 75-723 and 75-7c06.

21 (k) Exceptions contained in the following statutes as certified by the
22 revisor of statutes to the president of the senate and the speaker of the
23 house of representatives pursuant to subsection (e) and that have been
24 reviewed during the 2014 legislative session and continued in existence by
25 the legislature as provided in subsection (g) are hereby continued in
26 existence: 1-205, 2-2204, 8-240, 8-247, 8-255c, 8-1324, 8-1325, 12-
27 17,150, 12-2001, 17-12a607, 38-1008, 38-2209, 40-5006, 40-5108, 41-
28 2905, 41-2906, 44-706, 44-1518, 45-221(a)(44), (45), (46), (47) and (48),
29 50-6a11, 65-1,243, 65-16,104, 65-3239, 74-50,184, 74-8134, 74-99b06,
30 77-503a and 82a-2210.

31 (l) Exceptions contained in the following statutes as certified by the
32 revisor of statutes to the president of the senate and the speaker of the
33 house of representatives pursuant to subsection (e) during 2016 and that
34 have been reviewed during the 2017 legislative session are hereby
35 continued in existence: 12-5711, 21-2511, 22-4909, 38-2313, 45-221(a)
36 (51) and (52), 65-516, 65-1505, 74-2012, 74-5607, 74-8745, 74-8752, 74-
37 8772, 75-7d01, 75-7d05, 75-5133, 75-7427 and 79-3234.

38 (m) Exceptions contained in the following statutes as certified by the
39 revisor of statutes to the president of the senate and the speaker of the
40 house of representatives pursuant to subsection (e) during 2012 and that
41 have been reviewed during the 2013 legislative session and continued in
42 existence by the legislature as provided in subsection (g) are hereby
43 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 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.