

## SENATE BILL No. 472

By Committee on Financial Institutions and Insurance

2-4

1 AN ACT concerning the Kansas department of insurance; relating to the  
2 powers, duties and responsibilities of the commissioner of insurance;  
3 authorizing the commissioner of insurance to set the amount of certain  
4 fees; requiring the publication of such fees in the Kansas register;  
5 eliminating the 10% credit to the state general fund required of fee  
6 agencies as reimbursement for certain services provided by the state;  
7 amending K.S.A. 17-12a205, 17-12a302, 17-12a305, 17-12a410, 17-  
8 12a601, 17-12a605 and 75-3170a and K.S.A. 2025 Supp. 40-241 and  
9 40-246b and repealing the existing sections.

10

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

12

13 Section 1. K.S.A. 17-12a205 is hereby amended to read as follows:  
14 17-12a205. The administrator may ~~by rules and regulations~~ set a fee not to  
15 exceed \$2,500 for an application or filing made in connection with any  
16 exemption from securities registration. *Not later than December 1 of each*  
17 *year, the commissioner of insurance shall cause to be published in the*  
18 *Kansas register the fee required pursuant to this section for the next*  
19 *calendar year.*

20

21 Sec. 2. K.S.A. 17-12a302 is hereby amended to read as follows: 17-  
22 12a302. (a) *Required filing of records.* With respect to a federal covered  
23 security, as defined in section 18(b)(2) of the securities act of 1933-~~6~~, 15  
24 U.S.C. § 77r(b)(2)), that is not otherwise exempt under K.S.A. 17-12a201  
25 through 17-12a203, and amendments thereto, a rule adopted or order  
26 issued under this act may require the filing of any or all of the following  
27 records:

28

29 (1) Before the initial offer of a federal covered security in this state,  
30 all records that are part of a federal registration statement filed with the  
31 securities and exchange commission under the securities act of 1933 and a  
32 consent to service of process complying with K.S.A. 17-12a611, and  
33 amendments thereto, signed by the issuer and the payment of a fee not to  
34 exceed \$2,500;

35

36 (2) after the initial offer of the federal covered security in this state,  
37 all records that are part of an amendment to a federal registration statement  
38 filed with the securities and exchange commission under the securities act  
39 of 1933; and

40

(3) to the extent necessary or appropriate to compute fees, a report of

1 the value of the federal covered securities sold or offered to persons  
2 present in this state, if the sales data are not included in records filed with  
3 the securities and exchange commission and payment of a fee not to  
4 exceed \$2,500.

5 (b) *Notice filing effectiveness and renewal.* A notice filing under  
6 subsection (a) is effective for one year commencing on the later of the  
7 notice filing or the effectiveness of the offering filed with the securities  
8 and exchange commission. On or before expiration, the issuer may renew  
9 a notice filing by filing a copy of those records filed by the issuer with the  
10 securities and exchange commission that are required by rule or order  
11 under this act to be filed and by paying a renewal fee not to exceed \$2,500.  
12 A previously filed consent to service of process complying with K.S.A.  
13 17-12a611, and amendments thereto, may be incorporated by reference in  
14 a renewal. A renewed notice filing becomes effective upon the expiration  
15 of the filing being renewed.

16 (c) *Notice filings for federal covered securities under section 18(b)(4)*  
17 *(F).* With respect to a security that is a federal covered security under  
18 section 18(b)(4)(F) of the securities act of 1933–, 15 U.S.C. § 77r(b)(4)  
19 (F)), a rule under this act may require: (1) A notice filing by or on behalf of  
20 an issuer to include a copy of form D, including the appendix, as  
21 promulgated by the securities and exchange commission, and a consent to  
22 service of process complying with K.S.A. 17-12a611, and amendments  
23 thereto, signed by the issuer, not later than 15 days after the first sale of the  
24 federal covered security in this state; and (2) the payment of a fee not to  
25 exceed \$2,500 for a timely filing and the payment of a fee not to exceed  
26 \$5,000 for any late filing.

27 (d) *Stop orders.* Except with respect to a federal security under  
28 section 18(b)(1) of the securities act of 1933–, 15 U.S.C. § 77r(b)(1)), if  
29 the administrator finds that there is a failure to comply with a notice or fee  
30 requirement of this section, the administrator may issue a stop order  
31 suspending the offer and sale of a federal covered security in this state. If  
32 the deficiency is corrected, the stop order is void as of the time of its  
33 issuance and no penalty may be imposed by the administrator other than a  
34 late filing fee.

35 (e) *Not later than December 1 of each year, the administrator shall*  
36 *set and the commissioner of insurance shall cause to be published in the*  
37 *Kansas register the fees required pursuant to this section for the next*  
38 *calendar year.*

39 Sec. 3. K.S.A. 17-12a305 is hereby amended to read as follows: 17-  
40 12a305. (a) *Who may file.* A registration statement may be filed by the  
41 issuer, a person on whose behalf the offering is to be made, or a broker-  
42 dealer registered under this act.

43 (b) (1) *Filing fee.* A person filing a registration statement shall pay a

1 fee established by the administrator ~~by rule or order, but not more than not~~  
2 ~~to exceed \$2,500 for each year that the registration statement is effective.~~  
3 If a registration statement is withdrawn before the effective date or a  
4 preeffective stop order is issued under K.S.A. 17-12a306, and amendments  
5 thereto, the administrator shall retain an amount of the fee established by  
6 the administrator ~~by rule or order~~.

7 (2) *Not later than December 1 of each year, the administrator shall*  
8 *set and the commissioner of insurance shall cause to be published in the*  
9 *Kansas register the fee required pursuant to this subsection for the next*  
10 *calendar year.*

11 (c) *Status of offering.* A registration statement filed under K.S.A. 17-  
12 12a303 or 17-12a304, and amendments thereto, must specify:

13 (1) The amount of securities to be offered in this state;

14 (2) the states in which a registration statement or similar record in  
15 connection with the offering has been or is to be filed; and

16 (3) any adverse order, judgment, or decree issued in connection with  
17 the offering by a state securities regulator, the securities and exchange  
18 commission, or a court.

19 (d) *Incorporation by reference.* A record filed under this act or the  
20 predecessor act within five years preceding the filing of a registration  
21 statement may be incorporated by reference in the registration statement to  
22 the extent that the record is currently accurate.

23 (e) *Nonissuer distribution.* In the case of a nonissuer distribution,  
24 information or a record may not be required under subsection (i) or K.S.A.  
25 17-12a304, and amendments thereto, unless it is known to the person filing  
26 the registration statement or to the person on whose behalf the distribution  
27 is to be made or unless it can be furnished by those persons without  
28 unreasonable effort or expense.

29 (f) *Escrow and impoundment.* A rule adopted or order issued under  
30 this act may require as a condition of registration that a security issued  
31 within the previous five years or to be issued to a promoter for a  
32 consideration substantially less than the public offering price or to a person  
33 for a consideration other than cash be deposited in escrow; and that the  
34 proceeds from the sale of the registered security in this state be impounded  
35 until the issuer receives a specified amount from the sale of the security  
36 either in this state or elsewhere. The conditions of any escrow or  
37 impoundment required under this subsection may be established by rule  
38 adopted or order issued under this act, but the administrator may not reject  
39 a depository institution solely because of its location in another state.

40 (g) *Form of subscription.* A rule adopted or order issued under this act  
41 may require as a condition of registration that a security registered under  
42 this act be sold only on a specified form of subscription or sale contract  
43 and that a signed or conformed copy of each contract be filed under this

1 act or preserved for a period specified by the rule or order, which may not  
2 be longer than five years.

3 (h) *Effective period.* Except while a stop order is in effect under  
4 K.S.A. 17-12a306, and amendments thereto, a registration statement is  
5 effective for one year after its effective date, or for any longer period  
6 designated by rule adopted or order issued under this act during which the  
7 security is being offered or distributed in a nonexempted transaction by or  
8 for the account of the issuer or other person on whose behalf the offering is  
9 being made or by an underwriter or broker-dealer that is still offering part  
10 of an unsold allotment or subscription taken as a participant in the  
11 distribution. For the purposes of a nonissuer transaction, all outstanding  
12 securities of the same class identified in the registration statement as a  
13 security registered under this act are considered to be registered while the  
14 registration statement is effective. If any securities of the same class are  
15 outstanding, a registration statement may not be withdrawn until one year  
16 after its effective date. A registration statement may be withdrawn only  
17 with the approval of the administrator.

18 (i) *Periodic reports.* While a registration statement is effective, a rule  
19 adopted or order issued under this act may require the person that filed the  
20 registration statement to file reports, not more often than quarterly, to keep  
21 the information or other record in the registration statement reasonably  
22 current and to disclose the progress of the offering.

23 (j) *Posteffective amendments.* A registration statement shall be  
24 amended after its effective date if there are material changes in  
25 information or documents in the registration statement or if there is an  
26 increase in the aggregate amount of securities offered or sold in this state.  
27 The posteffective amendment becomes effective when filed with the  
28 administrator. If a posteffective amendment is made to increase the  
29 number of securities specified to be offered or sold, the person filing the  
30 amendment shall pay a registration fee based upon the increase in such  
31 price calculated in accordance with the rate and fee specified in subsection  
32 (b). If a posteffective amendment for registration of additional securities  
33 and payment of additional fees is not filed in a timely manner, there shall  
34 be no penalty assessed if the amendment is filed and the additional  
35 registration fee is paid within one year after the date the additional  
36 securities are sold in this state.

37 Sec. 4. K.S.A. 17-12a410 is hereby amended to read as follows: 17-  
38 12a410. (a) *Filing fees.* The administrator shall establish fees ~~by rules and~~  
39 ~~regulations~~, subject to the following limitations:

40 (1) *Broker-dealers.* A person shall pay a fee ~~of not more than~~ ~~not to~~  
41 exceed \$300 when initially filing an application for registration as a  
42 broker-dealer and filing a renewal of registration as a broker-dealer. If the  
43 filing results in a denial or withdrawal, the administrator shall retain the

1 fee.

2 (2) *Agents.* The fee for an individual ~~is not more than~~ shall not  
3 exceed \$100 when filing an application for registration as an agent, when  
4 filing a renewal of registration as an agent, and when filing for a change of  
5 registration as an agent. If the filing results in a denial or withdrawal, the  
6 administrator shall retain the fee.

7 (3) *Investment advisers.* A person shall pay a fee ~~of not more than~~ not  
8 to exceed \$300 when filing an application for registration as an investment  
9 adviser and when filing a renewal of registration as an investment adviser.  
10 If the filing results in a denial or withdrawal, the administrator shall retain  
11 the fee.

12 (4) *Investment adviser representatives.* The fee for an individual ~~is not more than~~ shall not exceed \$100 when filing an application for  
13 registration as an investment adviser representative, when filing a renewal  
14 of registration as an investment adviser representative, and when filing a  
15 change of registration as an investment adviser representative. If the filing  
16 results in a denial or withdrawal, the administrator shall retain the fee.

17 (5) *Federal covered investment advisers.* A federal covered  
18 investment adviser required to file a notice under K.S.A. 17-12a405, and  
19 amendments thereto, shall pay an initial fee and an annual notice fee ~~of not~~  
20 ~~more than not to exceed~~ \$300.

21 (b) *Payment.* A person required to pay a filing or notice fee under this  
22 section may transmit the fee through or to a designee as a rule or order  
23 provides under this act.

24 (c) *Not later than December 1 of each year, the administrator shall set and the commissioner of insurance shall cause to be published in the Kansas register the fees required pursuant to this section for the next calendar year.*

25 Sec. 5. K.S.A. 17-12a601 is hereby amended to read as follows: 17-  
26 12a601. (a) *Administration.* (1) This act shall be administered by the  
27 ~~securities commissioner of Kansas~~ department of insurance assistant  
28 commissioner, securities division.

29 (2) All fees herein provided for shall be collected by the  
30 administrator. All salaries and expenses necessarily incurred in the  
31 administration of this act shall be paid from the securities act fee fund.

32 (3) The administrator shall remit all moneys received from all fees,  
33 charges, deposits or penalties which have been collected under this act or  
34 other laws of this state regulating the issuance, sale or disposal of  
35 securities or regulating dealers in this state to the state treasurer at least  
36 monthly. Upon receipt of any such remittance, the state treasurer shall  
37 deposit the entire amount thereof in the state treasury. ~~In accordance with~~  
38 K.S.A. 75-3170a, and amendments thereto, 10% of each such deposit shall  
39 be credited to the state general fund and, Except as provided in subsection  
40

1 (d), the balance shall be credited to the securities act fee fund.

2 (4) All expenditures from the securities act fee fund shall be made in  
3 accordance with appropriation acts upon warrants of the director of  
4 accounts and reports issued pursuant to vouchers approved by the  
5 administrator or by a person or persons designated by the administrator.

6 (b) *Prohibited conduct.* (1) It is unlawful for the administrator or an  
7 officer, employee, or designee of the administrator to use for personal  
8 benefit or the benefit of others records or other information obtained by or  
9 filed with the administrator that are not public under K.S.A. 17-12a607(b),  
10 and amendments thereto. This act does not authorize the administrator or  
11 an officer, employee or designee of the administrator to disclose the record  
12 or information, except in accordance with K.S.A. 17-12a602, 17-  
13 12a607(c) or 17-12a608, and amendments thereto.

14 (2) Neither the administrator nor any employee of the administrator  
15 shall be interested as an officer, director or stockholder in securing any  
16 authorization to sell securities under the provisions of this act.

17 (c) *No privilege or exemption created or diminished.* This act does  
18 not create or diminish a privilege or exemption that exists at common law,  
19 by statute or rule or otherwise.

20 (d) *Investor education and protection.* (1) The administrator may  
21 develop and implement investor education and protection initiatives to  
22 inform the public about investing in securities and protect the public from  
23 violations of the Kansas uniform securities act, K.S.A. 17-12a101 et seq.,  
24 and amendments thereto. Such initiatives shall have a particular emphasis  
25 on the prevention, detection, enforcement and prosecution of securities  
26 fraud. In developing and implementing these initiatives, the administrator  
27 may collaborate with public and nonprofit organizations with an interest in  
28 investor education or protection. The administrator may accept a grant or  
29 donation from a person that is not affiliated with the securities industry or  
30 from a nonprofit organization, regardless of whether the organization is  
31 affiliated with the securities industry, to develop and implement investor  
32 education and protection initiatives. This subsection does not authorize the  
33 administrator to require participation or monetary contributions of a  
34 registrant in an investor education program.

35 (2) There is hereby established in the state treasury the investor  
36 education and protection fund. Such fund shall be administered by the  
37 administrator for the purposes described in subsection (d)(1) and for the  
38 education of registrants, including official hospitality. Moneys collected as  
39 civil penalties under this act shall be credited to the investor education and  
40 protection fund. The administrator may also receive payments designated  
41 to be credited to the investor education and protection fund as a condition  
42 in settlements of cases arising out of investigations or examinations. All  
43 expenditures from the investor education and protection fund shall be

1 made in accordance with appropriation acts upon warrants of the director  
2 of accounts and reports issued pursuant to vouchers approved by the  
3 administrator or by a person or persons designated by the administrator.

4 Sec. 6. K.S.A. 17-12a605 is hereby amended to read as follows: 17-  
5 12a605. (a) *Issuance and adoption of forms, orders, and rules.* The  
6 administrator may:

7 (1) Issue forms and orders and, after notice and comment, may adopt  
8 and amend rules necessary or appropriate to carry out this act and may  
9 repeal rules, including rules and forms governing registration statements,  
10 applications, notice filings, reports, and other records;

11 (2) by rule, define terms, whether or not used in this act, but those  
12 definitions may not be inconsistent with this act; and

13 (3) by rule, classify securities, persons, and transactions and adopt  
14 different requirements for different classes.

15 (b) *Findings and cooperation.* Under this act, a rule or form may not  
16 be adopted or amended, or an order issued or amended, unless the  
17 administrator finds that the rule, form, order, or amendment is necessary or  
18 appropriate in the public interest or for the protection of investors and is  
19 consistent with the purposes intended by this act. In adopting, amending,  
20 and repealing rules and forms, K.S.A. 17-12a608, and amendments  
21 thereto, applies in order to achieve uniformity among the states and  
22 coordination with federal laws in the form and content of registration  
23 statements, applications, reports, and other records, including the adoption  
24 of uniform rules, forms, and procedures.

25 (c) *Financial statements.* Subject to section 15(h) of the securities  
26 exchange act and section 222 of the investment advisers act of 1940, the  
27 administrator may require that a financial statement filed under this act be  
28 prepared in accordance with generally accepted accounting principles in  
29 the United States and comply with other requirements specified by rule  
30 adopted or order issued under this act. A rule adopted or order issued under  
31 this act may establish:

32 (1) Subject to section 15(h) of the securities exchange act and section  
33 222 of the investment advisers act of 1940, the form and content of  
34 financial statements required under this act;

35 (2) whether unconsolidated financial statements must be filed; and

36 (3) whether required financial statements must be audited by an  
37 independent certified public accountant.

38 (d) *Interpretative opinions.* The administrator may provide  
39 interpretative opinions or issue determinations that the administrator will  
40 not institute a proceeding or an action under this act against a specified  
41 person for engaging in a specified act, practice, or course of business if the  
42 determination is consistent with this act. ~~A rule adopted or order issued  
43 under this act~~ The administrator may establish a reasonable charge for

1 interpretative opinions or determinations that the administrator will not  
2 institute an action or a proceeding under this act. *Not later than December  
3 1 of each year, the commissioner of insurance shall cause to be published  
4 in the Kansas register the charge authorized pursuant to this section for  
5 the next calendar year.*

6 (e) *Effect of compliance.* No provision of this act imposing any  
7 liability applies to any act done or omitted in good faith in conformity with  
8 any rules and regulations, form, or order of the commissioner,  
9 notwithstanding that the rules and regulations, form or order may later be  
10 amended, revoked or rescinded or be determined by judicial or other  
11 authority to be invalid for any reason.

12 (f) *Presumption for public hearings.* A hearing in an administrative  
13 proceeding under this act must be conducted in public unless the  
14 administrator for good cause consistent with this act determines that the  
15 hearing will not be so conducted.

16 Sec. 7. K.S.A. 2025 Supp. 40-241 is hereby amended to read as  
17 follows: 40-241. Any applicant or prospective applicant for an agent's  
18 license, if an individual, shall be given an examination by the  
19 commissioner or the commissioner's designee to determine whether such  
20 applicant possesses the competence and knowledge of the kinds of  
21 insurance and transactions under the license applied for, or to be applied  
22 for, of the duties and responsibilities of such a license and of the pertinent  
23 provisions of the laws of this state. The applicant shall be tested on each  
24 class or subclassification of insurance that may be written. An examination  
25 fee ~~prescribed in rules and regulations adopted by the commissioner not to~~  
26 exceed \$150 shall be paid by the applicant and shall be required for each  
27 class of insurance for each attempt to pass the examination. *Not later than  
28 December 1 of each year, the commissioner shall set and cause to be  
29 published in the Kansas register the fee required pursuant to this section  
30 for the next calendar year.* Such examination fee shall be in addition to the  
31 certification fee required under K.S.A. 40-252, and amendments thereto.  
32 There shall be four classes of insurance for the purposes of this act:

33 (1) Life;  
34 (2) accident and health;  
35 (3) casualty and allied lines; and  
36 (4) property and allied lines.

37 An insurance license may be issued as a subclassification of casualty  
38 and allied lines to any auto rental agency. An auto rental agency may offer  
39 or sell insurance only in connection with and incidental to the rental of  
40 motor vehicles, whether at the rental office, at the point of delivery of a  
41 vehicle, or by preselection of coverage in a master, corporate or group  
42 rental agreement, in any of the following general categories:

43 (1) Personal accident insurance covering risks of travel;

1       (2) motor vehicle liability insurance;  
2       (3) personal effects insurance providing coverage to renters and other  
3       occupants of the motor vehicle;  
4       (4) roadside assistance and emergency sickness protection programs;  
5       and  
6       (5) any other travel or auto-related coverage an auto rental company  
7       may offer in connection with and incidental to rental of motor vehicles. No  
8       insurance may be issued by an auto rental agency unless the rental period  
9       of the rental agreement does not exceed 90 consecutive days and brochures  
10      and other written material clearly and correctly explaining insurance  
11      coverages offered by the agency are available for prospective renters and  
12      clear and complete disclosures are provided to prospective renters that  
13      such coverage may be duplicative of other insurance owned by the renter,  
14      that purchase of insurance coverage is not a condition for renting a motor  
15      vehicle and describing the process for filing a claim.

16      Auto rental agencies employing representatives shall conduct a training  
17      program for each representative, providing instruction on the kinds of  
18      insurance coverage offered by the agency.

19      No auto rental agency shall offer or solicit any insurance other than the  
20      coverages described in this section without an insurance license. No auto  
21      rental employee or auto rental agency shall advertise or otherwise hold  
22      themselves out as licensed insurers, insurance agents or insurance brokers.

23      The commissioner of insurance shall adopt rules and regulations with  
24      respect to the scope, subclassification, type and conduct of such  
25      examination. Examinations shall be given to applicants at least twice a  
26      month in Topeka, Kansas, and at least quarterly in other convenient  
27      locations in the state of Kansas. The commissioner shall publish or arrange  
28      for the publication of information and material which applicants can use to  
29      prepare for such examination. One or more rating organizations, advisory  
30      organizations or other associations may be designated by the  
31      commissioner to assist in, or assume responsibility for, distribution of the  
32      study manuals to applicants and other interested parties. Persons  
33      purchasing the study manual shall be charged a reasonable fee established  
34      or approved by the commissioner. In the event the publication and  
35      distribution of the study material or the development and conduct of  
36      examinations is delegated to private firms, organizations or associations  
37      and the state incurs no expense or obligation, the provisions of K.S.A. 75-  
38      3738 through 75-3744, and amendments thereto, shall not apply. If the  
39      commissioner of insurance finds that the individual applicant is  
40      trustworthy, competent and has satisfactorily completed the examination,  
41      the commissioner shall forthwith issue to the applicant a license as an  
42      insurance agent but the issuance of such license shall confer no authority  
43      to transact business in this state until the agent has been certified by a

1 company pursuant to K.S.A. 40-4912, and amendments thereto. If such  
2 applicant fails to satisfactorily complete the examination, the examination  
3 may be retaken following a waiting period of not less than seven days  
4 from the date of the last attempt. If the applicant again fails to  
5 satisfactorily complete the examination, it may be retaken following  
6 another waiting period of not less than seven days from the date of the  
7 most recent attempt.

8 Sec. 8. K.S.A. 2025 Supp. 40-246b is hereby amended to read as  
9 follows: 40-246b. (a) Upon receipt of a proper application, the  
10 commissioner of insurance may issue an excess lines coverage license to  
11 any licensed property and casualty agent of this state or any other state.  
12 Any agent so licensed may negotiate for insureds whose home state is this  
13 state, the types of contracts of fire insurance enumerated in K.S.A. 40-901,  
14 and amendments thereto, and the type of casualty insurance contracts  
15 enumerated in K.S.A. 40-1102, and amendments thereto, or reinsurance, to  
16 place risks or to effect insurance or reinsurance for persons or corporations  
17 other than such agent with nonadmitted insurers eligible pursuant to  
18 K.S.A. 40-246e, and amendments thereto. An agent, as defined in K.S.A.  
19 40-4902, and amendments thereto, may place the kind of business  
20 specified in this act for which such agent is licensed pursuant to K.S.A.  
21 40-4903 and 40-4906, and amendments thereto, with an eligible  
22 nonadmitted insurer by placing such business with a person licensed  
23 pursuant to the provisions of this act and may share in the applicable  
24 commissions on such business. Before any such license shall be issued, the  
25 applicant shall submit proper application on a form prescribed by the  
26 commissioner, which application shall be accompanied by a fee of *not to*  
27 *exceed \$50*. Such license shall be renewable each year on May 1, upon the  
28 payment of a ~~\$50~~ fee *not to exceed \$50. Not later than December 1 of*  
29 *each year, the commissioner shall set and cause to be published in the*  
30 *Kansas register the fees required pursuant to this section for the next*  
31 *calendar year.*

32 (b) The agent so licensed shall on or before March 1 of each year, file  
33 with the insurance department of this state, a sworn affidavit or statement  
34 to the effect that, after diligent effort, such agent has been unable to secure  
35 the amount of insurance required to protect the property, person or firm  
36 described in such agent's affidavit or statement from loss or damage in  
37 regularly admitted companies during the preceding year. Mere rate  
38 differential shall not be grounds for placing a particular risk with a  
39 nonadmitted insurer when an admitted insurer would accept such risk at a  
40 different rate. The licensed excess coverage agent shall, prior to placing  
41 insurance with an eligible nonadmitted insurer, obtain the written consent  
42 of the prospective named insured and provide such insured the following  
43 information in a form promulgated by the commissioner:

1       (1) A statement that the coverage will be obtained from an eligible  
2 nonadmitted insurer;

3       (2) a statement that the insurer is eligible pursuant to K.S.A. 40-246e,  
4 and amendments thereto;

5       (3) a notice that the insurer's financial condition, policy forms, rates  
6 and trade practices are not subject to the review or jurisdiction of the  
7 commissioner;

8       (4) a statement that the protection of the guaranty associations is not  
9 afforded to policyholders of the insurer; and

10     (5) a statement or notice with respect to any other information  
11 deemed necessary by the commissioner pertinent to insuring with an  
12 eligible nonadmitted insurer.

13     (c) In the event the insured desires that coverage be bound with an  
14 eligible nonadmitted insurer and it is not possible to obtain the written  
15 consent of the insured prior to binding the coverage, the excess lines agent  
16 may bind the coverage after advising the insured of the information set out  
17 above and shall obtain written confirmation that the insured desires that  
18 coverage be placed with an eligible nonadmitted insurer within 30 days  
19 after binding coverage.

20     (d) (1) When business comes to a licensed excess lines agent in  
21 which this state is the home state for placement with an eligible  
22 nonadmitted insurer from an agent not licensed as an excess lines agent, it  
23 shall be the responsibility of the licensed excess lines agent to ascertain  
24 that the insured has been provided the preceding information and has  
25 consented to being insured with an eligible nonadmitted insurer. Each  
26 excess lines agent shall keep a separate record book in such agent's office  
27 showing the transactions of fire and casualty insurance and reinsurance  
28 placed in eligible nonadmitted insurers, the amount of gross premiums  
29 charged thereon, the insurer with which the policy was placed, the date,  
30 term and number of the policy, the location and nature of the risk, the  
31 name of the insured and such other information as the commissioner may  
32 require and such record shall be available at all times for inspection by the  
33 commissioner of insurance or the commissioner's authorized  
34 representatives. The commissioner may revoke or suspend any license  
35 issued pursuant to the provisions of this act in the same manner and for the  
36 same reasons prescribed by K.S.A. 40-4909, and amendments thereto.

37     (2) Any policy issued under the provisions of this statute shall have  
38 stamped or endorsed in a prominent manner thereon, the following: This  
39 policy is issued by an eligible nonadmitted insurer in Kansas and, as such,  
40 the form, financial condition and rates are not subject to review by the  
41 commissioner of insurance and the insured is not protected by any  
42 guaranty fund.

43     (3) If business is placed with a nonadmitted company that is

1 subsequently determined to be insolvent, the excess lines agent placing  
2 such business with such company is relieved of any responsibility to the  
3 insured as it relates to such insolvency, if the excess lines agent has  
4 satisfactorily complied with all requirements of this section pertaining to  
5 notification of the insured, has properly obtained the written consent of the  
6 insured and has used due diligence in selecting the insurer. It shall be  
7 presumed that due diligence was used in selecting the insurer if such  
8 insurer was on the list compiled pursuant to K.S.A. 40-246e, and  
9 amendments thereto, at the time coverage first became effective.

10 Sec. 9. K.S.A. 75-3170a is hereby amended to read as follows: 75-  
11 3170a.. (a) The 10% credit to the state general fund required by K.S.A. 1-  
12 204, 9-1703, 16a-2-302, ~~17-12a601~~, 17-2236, 20-1a02, 20-1a03, 31-133a,  
13 31-134, 36-512, 44-324, 44-926, 47-820, 49-420, 55-155, 55-176, 55-609,  
14 55-711, 55-901, 58-2011, 58-3074, 58-4107, 65-6b10, 65-1718, 65-1817a,  
15 65-1951, 65-2011, 65-2855, 65-2911, 65-4024b, 65-5413, 65-5513, 65-  
16 6910, 65-7210, 65-7309, 66-1,155, 66-1503, 74-715, 74-1108, 74-1405,  
17 74-1503, 74-1609, 74-2704, 74-3903, 74-50,188, 74-5805, 74-6708, 74-  
18 7009, 74-7506, 75-1119b, 75-1308, 75-1514, 84-9-801, and amendments  
19 thereto, is to reimburse the state general fund for accounting, auditing,  
20 budgeting, legal, payroll, personnel and purchasing services, and any and  
21 all other state governmental services, which are performed on behalf of the  
22 state agency involved by other state agencies which receive appropriations  
23 from the state general fund to provide such services.

24 (b) Nothing in this act or in the sections amended by this act or  
25 referred to in subsection (a), shall be deemed to authorize remittances to be  
26 made less frequently than is authorized under K.S.A. 75-4215, and  
27 amendments thereto.

28 (c) Notwithstanding any provision of any statute referred to in or  
29 amended by this act or referred to in subsection (a), whenever in any fiscal  
30 year such 10% credit to the state general fund in relation to any particular  
31 fee fund is \$100,000, in that fiscal year the 10% credit no longer shall  
32 apply to moneys received from sources applicable to such fee fund and for  
33 the remainder of such year the full 100% so received shall be credited to  
34 such fee fund.

35 Sec. 10. K.S.A. 17-12a205, 17-12a302, 17-12a305, 17-12a410, 17-  
36 12a601, 17-12a605 and 75-3170a and K.S.A. 2025 Supp. 40-241 and 40-  
37 246b are hereby repealed.

38 Sec. 11. This act shall take effect and be in force from and after its  
39 publication in the statute book.