

SENATE BILL No. 85

By Committee on Financial Institutions and Insurance

1-23

Proposed Amendment to SB 85
for Senate Committee on Financial Institutions and Insurance
Office of Revisor of Statutes
March 15, 2023

1 AN ACT concerning travel insurance; relating to the licensing and
2 registration of limited lines travel insurance producers and travel
3 retailers; enacting the Kansas travel insurance act; establishing a
4 premium tax for travel insurers; regulating the sale and marketing of
5 travel insurance and travel protection plans; providing for travel
6 administrators; establishing standards for travel insurance policies;
7 amending K.S.A. 40-4903 and repealing the existing section.
8

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

10 New Section 1. (a) Sections 1 through 10, and amendments thereto,
11 shall be known and may be cited as the Kansas travel insurance act.

12 (b) The Kansas travel insurance act shall be a part of and
13 supplemental to article 2 of chapter 40 of the Kansas Statutes Annotated,
14 and amendments thereto.

15 New Sec. 2. (a) The purpose of this act is to promote the public
16 welfare by establishing a comprehensive legal framework within which
17 travel insurance may be sold.

18 (b) The requirements of this act shall apply to travel insurance that
19 covers any resident of this state, that is sold, solicited, negotiated or
20 offered in this state and policies and certificates that are delivered or issued
21 for delivery in this state. This act shall not apply to cancellation fee
22 waivers or travel assistance services except as expressly provided in this
23 act.

24 (c) All other applicable provisions of the insurance laws of this state
25 shall apply to travel insurance except that the specific provisions of this act
26 shall supersede any general provisions of law that would otherwise be
27 applicable to travel insurance.

28 New Sec. 3. As used in Kansas travel insurance act:

29 (a) "Act" means the Kansas travel insurance act.

30 (b) "Aggregator site" means a website that provides access to
31 information regarding insurance products from more than one insurer,
32 including product and insurer information, for use in comparison
33 shopping.

34 (c) "Blanket travel insurance" means a policy of travel insurance
35 issued to any eligible group providing coverage for specific classes of
36 persons defined in the policy with coverage provided to all members of the

1 eligible group without a separate charge to individual members of the
2 eligible group.

3 (d) "Cancellation fee waiver" means a contractual agreement between
4 a supplier of travel services and its customer to waive some or all of the
5 non-refundable cancellation fee provisions of the supplier's underlying
6 travel contract with or without regard to the reason for the cancellation or
7 form of reimbursement. "Cancellation fee waiver" is not insurance.

8 (e) "Commissioner" means the commissioner of insurance.

9 (f) "Delivery" means handing fulfillment materials to the
10 policyholder or certificate holder or sending such fulfillment materials to
11 the policyholder or certificate holder using United States mail or electronic
12 means.

13 (g) "Eligible group" means two or more persons who are engaged in a
14 common enterprise, or have an economic, educational or social affinity or
15 relationship, including but not limited to, the following:

16 (1) (A) Any entity engaged in the business of providing travel or
17 travel services, including but not limited to: (i) Tour operators; (ii) lodging
18 providers; (iii) vacation property owners; (iv) hotels and resorts; (v) travel
19 clubs; (vi) travel agencies; (vii) property managers; (viii) cultural
20 exchange programs; and (ix) common carriers or the operator, owner or
21 lessor of a means of transportation of passengers, including, but not
22 limited to, airlines, cruise lines, railroads, steamship companies and public
23 bus carriers;

24 (B) With regard to any particular travel or type of travel or travelers,
25 all members or customers of the eligible group shall have a common
26 exposure to risk attendant to such travel;

27 (2) colleges, schools or other institutions of learning, covering
28 students, teachers, employees or volunteers;

29 (3) employers covering groups of employees, volunteers, contractors,
30 boards of directors, dependents or guests;

31 (4) sports teams, camps or sponsors thereof, covering participants,
32 members, campers, employees, officials, supervisors or volunteers;

33 (5) religious, charitable, recreational, educational or civic
34 organizations or branches thereof, covering groups of members,
35 participants or volunteers;

36 (6) financial institutions or financial institution vendors or parent
37 holding companies, trustees or agents of, or designated by, one or more
38 financial institutions or financial institution vendors, including account
39 holders, credit card holders, debtors, guarantors or purchasers;

40 (7) incorporated or unincorporated associations, including labor
41 unions, that have a common interest, constitution and bylaws, and are
42 organized and maintained in good faith for purposes other than obtaining
43 insurance for members or participants of such association covering its

- 1 members;
- 2 (8) trusts or trustees of a fund established, created or maintained for
3 the benefit of and covering members, employees or customers, subject to
4 the commissioner permitting the use of a trust and the premium tax
5 provisions described in section 5, and amendments thereto, of one or more
6 associations described in paragraph (7);
- 7 (9) entertainment production companies covering participants,
8 volunteers, audience members, contestants or workers;
- 9 (10) volunteer fire departments, ambulances, rescues, police, courts
10 or any first aid, civil defense or other such volunteer groups;
- 11 (11) preschools, daycare institutions for children or adults and senior
12 citizen clubs;
- 13 (12) automobile or truck rental or leasing companies covering groups
14 of individuals who may become renters, lessees or passengers defined by
15 their travel status on the rented or leased vehicles. The common carrier, the
16 operator, owner or lessor of a means of transportation or the automobile or
17 truck rental or leasing company, shall be the policyholder under a policy to
18 which this section applies; or
- 19 (13) any other group whereby the commissioner has determined that
20 the members are engaged in a common enterprise, or have an economic,
21 educational or social affinity or relationship and that issuance of the policy
22 would not be contrary to the public interest.
- 23 (h) "Fulfillment materials" means documentation sent to the
24 purchaser of a travel protection plan that confirms the purchase and
25 provides details of the coverage and assistance of the travel protection
26 plan.
- 27 (i) "Group travel insurance" means travel insurance issued to any
28 eligible group.
- 29 (j) "Limited lines travel insurance producer" means a:
- 30 (1) Licensed managing general agent or third-party administrator;
- 31 (2) licensed insurance producer, including a limited lines producer; or
- 32 (3) travel administrator.
- 33 (k) "Offer and disseminate" means providing general information
34 including a description of the coverage and price, as well as processing of
35 the application and collecting premiums.
- 36 (l) "Primary certificate holder" means an individual person who elects
37 and purchases travel insurance under a group policy.
- 38 (m) "Primary policyholder" means an individual person who elects
39 and purchases individual travel insurance.
- 40 (n) "Travel administrator" means a person who directly or indirectly
41 underwrites, collects charges, collateral or premiums from, or adjusts or
42 settles claims on, residents of this state in connection with travel insurance.
- 43 "Travel administrator" does not include the following:

- 1 (1) An individual working for a travel administrator to the extent that
2 the person's activities are subject to the supervision and control of the
3 travel administrator;
- 4 (2) an insurance producer selling insurance or engaged in
5 administrative and claims-related activities within the scope of the
6 producer's license;
- 7 (3) a travel retailer offering and disseminating travel insurance and
8 registered under the license of a limited lines travel insurance producer in
9 accordance with this act;
- 10 (4) an individual adjusting or settling claims in the normal course of
11 such individual's practice or employment as an attorney-at-law and who
12 does not collect charges or premiums in connection with insurance
13 coverage; or
- 14 (5) a business entity that is affiliated with a licensed insurer while
15 acting as a travel administrator for the direct and assumed insurance
16 business of an affiliated insurer.
- 17 (o) "Travel assistance services" means non-insurance services for
18 which the consumer is not indemnified based on a fortuitous event and
19 where providing the service does not result in transfer or shifting of risk
20 that would constitute the business of insurance. Travel assistance services
21 include, but are not limited to:
- 22 (1) Security advisories;
23 (2) destination information;
24 (3) vaccination and immunization information services;
25 (4) travel reservation services;
26 (5) entertainment;
27 (6) activity and event planning;
28 (7) translation assistance;
29 (8) emergency messaging;
30 (9) international legal and medical referrals;
31 (10) medical case monitoring;
32 (11) coordination of transportation arrangements;
33 (12) emergency cash transfer assistance;
34 (13) medical prescription replacement assistance;
35 (14) passport and travel document replacement assistance;
36 (15) lost luggage assistance;
37 (16) concierge services; and
38 (17) any other service that is furnished in connection with planned
39 travel. Travel assistance services are not insurance and are not related to
40 insurance.
- 41 (p) (1) "Travel insurance" means insurance coverage for personal
42 risks incidental to planned travel, including:
- 43 (A) Interruption or cancellation of a trip or event;

- 1 (B) loss of baggage or personal effects;
2 (C) damages to accommodations or rental vehicles;
3 (D) sickness, accident, disability or death occurring during travel;
4 (E) emergency evacuation;
5 (F) repatriation of remains; or
6 (G) any other contractual obligations to indemnify or pay a specified
7 amount to the traveler upon determinable contingencies related to travel as
8 approved by the commissioner.
- 9 (2) "Travel insurance" does not include major medical plans that
10 provide comprehensive medical protection for travelers with trips lasting
11 longer than six months, including those working or residing overseas as an
12 expatriate or any other product that requires a specific insurance producer
13 license.
- 14 (q) "Travel protection plans" means plans that provide one or more of
15 the following:
16 (1) Travel insurance;
17 (2) travel assistance services; or
18 (3) cancellation fee waivers.
- 19 (r) "Travel retailer" means a business entity that makes, arranges or
20 offers planned travel and may offer and disseminate travel insurance as a
21 service to its customers on behalf of and under the direction of a limited
22 lines travel insurance producer.
- 23 New Sec. 4. (a) The commissioner may issue a limited lines travel
24 insurance producer license to an individual or business entity that has filed
25 with the commissioner an application for a limited lines travel insurance
26 producer license in a form and manner prescribed by the commissioner.
27 Such limited lines travel insurance producer shall be licensed to sell,
28 solicit or negotiate travel insurance through a licensed insurer. No person
29 shall act as a limited lines travel insurance producer or travel insurance
30 retailer unless properly licensed or registered, respectively.
- 31 (b) A travel retailer may offer and disseminate travel insurance under
32 a limited lines travel insurance producer business entity license only if the
33 following conditions are met:
34 (1) The limited lines travel insurance producer or travel retailer
35 provides to purchasers of travel insurance:
36 (A) A description of the material terms or the actual material terms of
37 the insurance coverage;
38 (B) a description of the process for filing a claim;
39 (C) a description of the review or cancellation process for the travel
40 insurance policy; and
41 (D) the identity and contact information of the insurer and limited
42 lines travel insurance producer;
43 (2) the limited lines travel insurance producer shall:

1 (A) At the time of licensure, have established a register, on a form
2 prescribed by the commissioner, of each travel retailer that offers travel
3 insurance on the limited lines travel insurance producer's behalf. The
4 register shall be maintained and updated by the limited lines travel
5 insurance producer and include the name, address and contact information
6 of the travel retailer and an officer or person who directs or controls the
7 operations of such travel retailer and the federal tax identification number
8 of such travel retailer;

9 (B) submit such register to the insurance department upon reasonable
10 request; and

11 (C) certify that the travel retailer registered complies with 18 U.S.C. §
12 1033. The grounds for the suspension, revocation and penalties applicable
13 to resident insurance producers under K.S.A. 40-4909, and amendments
14 thereto, shall be applicable to limited lines travel insurance producers and
15 travel retailers;

16 (3) the limited lines travel insurance producer has designated one of
17 its employees, who is a licensed individual producer, as a designated
18 responsible producer responsible for the compliance with the travel
19 insurance laws and regulations applicable to the limited lines travel
20 insurance producer and its registrants;

21 (4) the designated responsible producer, president, secretary, treasurer
22 and any other officer or person who directs or controls the limited lines
23 travel insurance producer's insurance operations complies with the
24 fingerprinting requirements applicable to insurance producers in the
25 resident state of the limited lines travel insurance producer;

26 (5) the limited lines travel insurance producer has paid all applicable
27 licensing fees as required by state law; and

28 (6) the limited lines travel insurance producer requires each employee
29 and authorized representative of the travel retailer whose duties include
30 offering and disseminating travel insurance to receive a program of
31 instruction or training, which is subject, at the discretion of the
32 commissioner, to review and approval. The training material shall include,
33 but not be limited to, adequate instructions on the types of insurance
34 offered, ethical sales practices and required disclosures to prospective
35 customers.

36 (c) Any travel retailer offering or disseminating travel insurance shall
37 make available to each prospective purchaser such brochures or other
38 written materials as have been approved by the travel insurer. Such
39 materials shall include, but not be limited to, the following information:

40 (1) The identity and contact information of the insurer and the limited
41 lines travel insurance producer;

42 (2) an explanation that the purchase of travel insurance is not required
43 to purchase any other product or service from the travel retailer; and

1 (3) an explanation that an unlicensed travel retailer is permitted to
2 provide only general information about the insurance offered by the travel
3 retailer, including a description of the coverage and price, but is not
4 qualified or authorized to answer technical questions about the terms and
5 conditions of the insurance offered by the travel retailer or to evaluate the
6 adequacy of the customer's existing insurance coverage.

7 (d) A travel retailer employee or authorized representative, who is not
8 licensed as an insurance producer shall not:

9 (1) Evaluate or interpret the technical terms, benefits and conditions
10 of the offered travel insurance coverage;

11 (2) evaluate or provide advice concerning a prospective purchaser's
12 existing insurance coverage; or

13 (3) hold such travel retailer employee or authorized representative out
14 as a licensed insurer, licensed producer or insurance expert.

15 (e) Notwithstanding any other provision in law, a travel retailer
16 whose insurance-related activities and the activities of the employees and
17 authorized representatives of such travel retailer are limited to offering and
18 disseminating travel insurance on behalf of and under the direction of a
19 limited lines travel insurance producer that meets the conditions stated in
20 this act is authorized to receive related compensation, upon registration by
21 the limited lines travel insurance producer pursuant to subsection (b)(2).

22 (f) As the insurer's designee, the limited lines travel insurance
23 producer shall be responsible for the acts of the travel retailer and shall use
24 reasonable means to ensure compliance by the travel retailer with this
25 act.

26 New Sec. 5. (a) A travel insurer shall pay premium tax, pursuant to
27 K.S.A. 40-252, and amendments thereto, on travel insurance premiums
28 paid by any of the following:

29 (1) An individual primary policyholder who is a resident of this state;

30 (2) a primary certificate-holder who is a resident of this state and who
31 elects coverage under a group travel insurance policy; or

32 (3) a blanket travel insurance policyholder that is a resident of or has
33 its principal place of business or the principal place of business of an
34 affiliate or subsidiary in this state that has purchased blanket travel
35 insurance for eligible blanket group members, subject to any
36 apportionment rules that apply to the insurer across multiple taxing
37 jurisdictions or that permit the insurer to allocate premium on an
38 apportioned basis in a reasonable and equitable manner in those
39 jurisdictions.

40 (b) A travel insurer shall:

41 (1) Document the state of residence or principal place of business of
42 each policyholder or certificate holder described in subsection (a); and

43 (2) report as premium only the amount allocable to travel insurance

1 and not any amounts received for travel assistance services or cancellation
2 fee waivers.

3 New Sec. 6. Travel protection plans may combine the features that
4 such travel protection plan offers in this state for one price if:

5 (a) The travel protection plan clearly discloses to the consumer, at or
6 prior to the time of purchase, that it includes travel insurance, travel
7 assistance services and cancellation fee waivers as applicable and provides
8 information and an opportunity, at or prior to the time of purchase, for the
9 consumer to obtain additional information regarding the features and
10 pricing of each; and

11 (b) the fulfillment materials:

12 (1) Describe and delineate the travel insurance, travel assistance
13 services and cancellation fee waivers in the travel protection plan; and

14 (2) include the travel insurance disclosures and contact information
15 for persons providing travel assistance services and cancellation fee
16 waivers, as applicable.

17 New Sec. 7. (a) Each person offering travel insurance to residents of
18 this state shall be subject to the unfair trade practice law, K.S.A. 40-2401
19 et seq., and amendments thereto, except as otherwise provided in this
20 section. In the event of a conflict between this act and other provisions of
21 chapter 40 of the Kansas Statutes Annotated, and amendments thereto,
22 regarding the sale and marketing of travel insurance and travel protection
23 plans, the provisions of this act shall control.

24 (b) Offering or selling a travel insurance policy that could never
25 result in payment of any claims for any insured under the policy is an
26 unfair trade practice under the unfair trade practice law, K.S.A. 40-2401 et
27 seq., and amendments thereto.

28 (c) Each person that offers travel insurance policies or travel
29 protection plans shall comply with the following:

30 (1) All documents provided to a consumer prior to the purchase of
31 travel insurance, including, but not limited to, sales materials, advertising
32 materials and marketing materials, forms, endorsements, policies, rate
33 filings and certificates of insurance, shall be consistent with the travel
34 insurance policy itself, including, but not limited to, forms, endorsements,
35 policies, rate filings and certificates of insurance;

36 (2) for each travel insurance policy or certificate that contains pre-
37 existing condition exclusions, information and an opportunity to learn
38 more about such pre-existing condition exclusions shall be provided to the
39 consumer at any time prior to the time of purchase and in the coverage's
40 fulfillment materials;

41 (3) the fulfillment materials and the information described in section
42 4(b)(1), and amendments thereto, shall be provided to a policyholder or
43 certificate holder as soon as practicable, following the purchase of a travel

1 protection plan. Unless the policyholder or certificate holder has either
2 started a covered trip or filed a claim under the travel insurance coverage,
3 such policyholder or certificate holder may cancel a policy or certificate
4 for a full refund of the travel protection plan price from the date of
5 purchase of a travel protection plan until at least:

6 (A) 15 days following the date of delivery of the travel protection
7 plan's fulfillment materials by postal mail; or

8 (B) 10 days following the date of delivery of the travel protection
9 plan's fulfillment materials by means other than postal mail;

10 (4) the company shall disclose in the policy documentation and
11 fulfillment materials whether the travel insurance is primary or secondary
12 to other applicable coverage; and

13 (5) where travel insurance is marketed directly to a consumer through
14 an insurer's website or by others through an aggregator site, it shall not be
15 an unfair trade practice or other violation of law where an accurate
16 summary or short description of coverage is provided on the web page, so
17 long as the consumer has access to the full provisions of the policy through
18 electronic means.

19 (d) No person offering, soliciting or negotiating travel insurance or
20 travel protection plans on an individual or group basis may do so by using
21 a negative option or opt out, that would require a consumer to take an
22 affirmative action to deselect coverage, such as unchecking a box on an
23 electronic form, when the consumer purchases a trip.

24 (e) It shall be an unfair trade practice to market blanket travel
25 insurance coverage as free.

26 (f) Where the jurisdiction of a consumer's destination requires
27 insurance coverage, it shall not be an unfair trade practice to require that
28 such consumer choose between the following options as a condition of
29 purchasing a trip or travel package:

30 (1) Purchasing the coverage required by the destination jurisdiction
31 through the travel retailer or limited lines travel insurance producer
32 supplying the trip or travel package; or

33 (2) agreeing to obtain and provide proof of coverage that meets the
34 destination jurisdiction's requirements prior to departure.

35 New Sec. 8. (a) Notwithstanding any other provision of chapter 40 of
36 the Kansas Statutes Annotated, and amendments thereto, no person shall
37 act or represent itself as a travel administrator for travel insurance in this
38 state unless such person:

39 (1) Is a licensed property and casualty insurance producer in this state
40 for activities permitted under that producer license;

41 (2) holds a valid managing general agent license in this state; or

42 (3) holds a valid third-party administrator license in this state.

43 (b) An insurer shall be responsible for the acts of a travel

1 administrator that administers travel insurance underwritten by the insurer
2 and shall ensure that the travel administrator maintains all books and
3 records relevant to the insurer be made available by the travel
4 administrator to the commissioner, upon request.

5 New Sec. 9. (a) Notwithstanding any other provision of chapter 40 of
6 the Kansas Statutes Annotated, and amendments thereto, travel insurance
7 shall be classified and filed for purposes of rates and forms under an inland
8 marine line of insurance.

9 (b) Travel insurance may be in the form of an individual, group or
10 blanket policy.

11 (c) Eligibility and underwriting standards for travel insurance may be
12 developed and provided based on travel protection plans designed for
13 individual or identified marketing or distribution channels, provided those
14 standards also meet underwriting standards of the state for inland marine
15 insurance.

16 New Sec. 10. The commissioner may adopt rules and regulations to
17 implement and enforce the provisions of this act.

18 Sec. 11. K.S.A. 40-4903 is hereby amended to read as follows: 40-
19 4903. (a) Unless denied licensure pursuant to K.S.A. 40-4909, and
20 amendments thereto, any person who meets the requirements of K.S.A.
21 40-4905, and amendments thereto, shall be issued an insurance agent
22 license. An insurance agent may receive qualifications for a license in one
23 or more of the following lines of authority:

24 (1) Life: Insurance coverage on human lives including benefits of
25 endowment and annuities, and may include benefits in the event of death
26 or dismemberment by accident and benefits for disability income.

27 (2) Accident and health or sickness: Insurance coverage for sickness,
28 bodily injury or accidental death and may include benefits for disability
29 income.

30 (3) Property: Insurance coverage for the direct or consequential loss
31 or damage to property of every kind.

32 (4) Casualty: Insurance coverage against legal liability, including that
33 for death, injury or disability or damage to real or personal property.

34 (5) Variable life and variable annuity products: Insurance coverage
35 provided under variable life insurance contracts, variable annuities or any
36 other life insurance or annuity product that reflects the investment
37 experience of a separate account.

38 (6) Personal lines: Property and casualty insurance coverage sold
39 primarily to an individual or family for noncommercial purposes.

40 (7) Credit: Limited line credit insurance.

41 (8) Crop insurance: Limited line insurance for damage to crops from
42 unfavorable weather conditions, fire, lightning, flood, hail, insect
43 infestation, disease or other yield-reducing conditions or any other peril

- 1 subsidized by the federal crop insurance corporation, including multi-peril
2 crop insurance.
- 3 (9) Title insurance: Limited line insurance that insures titles to
4 property against loss by reason of defective titles or encumbrances.
- 5 (10) (A) Travel insurance: Limited line insurance for personal risks
6 incidental to planned travel, including, but not limited to:
- 7 ~~(A)~~ (i) Interruption or cancellation of trip or event;
8 ~~(B)~~ (ii) loss of baggage or personal effects;
9 ~~(C)~~ (iii) damages to accommodations or rental vehicles; ~~or~~
10 ~~(D)~~ (iv) sickness, accident, disability or death occurring during travel.
11 (v) *emergency evacuation*;
12 (vi) *repatriation of remains*; or
13 (vii) *any other contractual obligations to indemnify or pay a specified*
14 *amount to the traveler upon determinable contingencies related to travel*
15 *as approved by the commissioner.*
- 16 (B) Travel insurance does not include major medical plans that
17 provide comprehensive medical protection for travelers with trips lasting
18 six months or longer, for example, persons working overseas including
19 military personnel deployed overseas.
- 20 (11) Pre-need funeral insurance: Limited line insurance that allows
21 for the purchase of a life insurance or annuity contract by or on behalf of
22 the insured solely to fund a pre-need contract or arrangement with a
23 funeral home for specific services.
- 24 (12) Bail bond insurance: Limited line insurance that provides surety
25 for a monetary guarantee that an individual released from jail will be
26 present in court at an appointed time.
- 27 (13) Self-service storage unit insurance: Limited line insurance
28 relating to the rental of self-service storage units, including:
- 29 (A) Personal effects insurance that provides coverage to renters of
30 storage units at the same facility for the loss of, or damage to, personal
31 effects that occurs at the same facility during the rental period; and
32 (B) any other coverage that the commissioner may approve as
33 meaningful and appropriate in connection with the rental of storage units.
34 Such insurance may only be issued in accordance with K.S.A. 40-241, and
35 amendments thereto.
- 36 (14) Any other line of insurance permitted under the provisions of
37 chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and
38 any rules and regulations promulgated thereunder.
- 39 (b) Unless suspended, revoked or refused renewal pursuant to K.S.A.
40 40-4909, and amendments thereto, an insurance agent license shall remain
41 in effect as long as:
- 42 (1) Education requirements for resident individual agents are met by
43 such insurance agent's biennial due date;

1 (2) such insurance agent submits an application for renewal on a form
2 prescribed by the commissioner; and

3 (3) ~~on and after January 1, 2022,~~ such insurance agent pays a biennial
4 renewal application fee of \$4.

5 ~~(c) (1) (A) On and after July 1, 2001, through December 31, 2021,~~
6 ~~each licensed insurance agent who is an individual and holds a property or~~
7 ~~casualty qualification, or both, or a personal lines qualification shall~~
8 ~~biennially obtain a minimum of 12 C.E.C.s in courses certified as property~~
9 ~~and casualty that includes at least one hour of instruction in insurance~~
10 ~~ethics, and may include regulatory compliance.~~

11 ~~(B) On and after January 1, 2022,~~ Except as provided in paragraphs
12 ~~(3) (1) through (6) (4),~~ each licensed insurance agent shall biennially
13 obtain a minimum of 18 C.E.C.s that include at least three hours of
14 instruction in insurance ethics that also may include regulatory
15 compliance.

16 ~~(2) On and after July 1, 2001, through December 31, 2021, each~~
17 ~~licensed insurance agent who is an individual and holds a life, accident and~~
18 ~~health, or variable contracts qualification, or any combination thereof,~~
19 ~~shall biennially obtain a minimum of 12 C.E.C.s in courses certified as~~
20 ~~life, accident and health, or variable contracts that include at least one hour~~
21 ~~of instruction in insurance ethics and may include regulatory compliance.~~

22 ~~(3) (1)~~ Each licensed insurance agent who is an individual and holds
23 only a crop qualification shall biennially obtain a minimum of two C.E.C.s
24 in courses certified as crop C.E.C.s under the property and casualty
25 category.

26 ~~(4) (2)~~ Each licensed insurance agent who is an individual and is
27 licensed only for title insurance shall biennially obtain a minimum of four
28 C.E.C.s in courses certified by the board of abstract examiners as title
29 C.E.C.s under the property and casualty category.

30 ~~(5) (3)~~ Each licensed insurance agent who is an individual and holds a
31 life insurance license solely for the purpose of selling pre-need funeral
32 insurance or annuity products shall file a report on or before such agent's
33 biennial due date affirming that such agent transacted no other insurance
34 business during the period covered by the report and shall provide
35 certification from an officer of each insurance company that has appointed
36 such agent that the agent transacted no other insurance business during the
37 period covered by the report. Agents who have offered to sell or sold only
38 pre-need funeral insurance are exempt from the requirement to obtain
39 C.E.C.s.

40 ~~(6) (4)~~ Each licensed insurance agent who is an individual and holds
41 only a bail bond, self-service storage unit or travel insurance qualification
42 is exempt from the requirement to obtain C.E.C.s.

43 ~~(7) (5) (A)~~ A licensed insurance agent who is a member of the

1 national guard or any reserve component of the armed services of the
2 United States who serves on active duty for at least 90 consecutive days
3 shall be exempt from the requirement to obtain C.E.C.s during the time
4 that such insurance agent is on active duty.

5 (B) The commissioner shall grant an extension to any licensed
6 insurance agent described in subparagraph (A) until the biennial due date
7 that occurs in the year next succeeding the year in which such active duty
8 ceases.

9 (d) An instructor of an approved subject shall be entitled to the same
10 C.E.C. as a student completing the study.

11 (e) (1) An individual insurance agent who has been licensed for more
12 than one year, on or before such insurance agent's biennial due date, shall
13 file a report with the commissioner certifying that such insurance agent has
14 met the continuing education requirements for the previous biennium
15 ending on such insurance agent's biennial due date. Each individual
16 insurance agent shall maintain a record of all courses attended together
17 with a certificate of attendance for the remainder of the biennium in which
18 the courses were attended and the entire next succeeding biennium.

19 (2) If the required report showing proof of continuing education
20 completion is not received by the commissioner by the individual
21 insurance agent's biennial due date, such individual insurance agent's
22 qualification and each and every corresponding license shall be suspended
23 automatically for a period of 90 calendar days or until such time as the
24 producer satisfactorily demonstrates completion of the continuing
25 education requirement whichever is sooner. In addition, the commissioner
26 shall assess a penalty of \$100 for each license suspended. If such insurance
27 agent fails to furnish to the commissioner the required proof of continuing
28 education completion and the monetary penalty within 90 calendar days of
29 such insurance agent's biennial due date, such individual insurance agent's
30 qualification and each and every corresponding license shall expire on
31 such insurance agent's biennial due date. If after more than three but less
32 than 12 months from the date the license expired, the insurance agent
33 wants to reinstate such insurance agent's license, such individual shall
34 provide the required proof of continuing education completion and pay a
35 reinstatement fee in the amount of \$100 for each license suspended. If
36 after more than 12 months from the date an insurance agent's license has
37 expired, such insurance agent wants to reinstate such insurance agent's
38 license, such individual shall apply for an insurance agent's license,
39 provide the required proof of continuing education completion and pay a
40 reinstatement fee in the amount of \$100 for each license suspended. Upon
41 receipt of a written application from such insurance agent claiming
42 extreme hardship, the commissioner may waive any penalty imposed
43 under this subsection.

1 (3) On and after the effective date of this act, any applicant for an
2 individual insurance agent's license who previously held a license that
3 expires on or after June 30, 2001, because of failure to meet continuing
4 education requirements and who seeks to be relicensed shall provide
5 evidence that appropriate C.E.C.s have been completed for the prior
6 biennium.

7 (4) Upon receipt of a written application from an individual insurance
8 agent, the commissioner, in cases involving medical hardship or military
9 service, may extend the time within which to fulfill the minimum
10 continuing educational requirements for a period of not to exceed 180
11 days.

12 (5) This section shall not apply to any inactive insurance agent during
13 the period of such inactivity. For the purposes of this paragraph, "inactive
14 period" or "period of inactivity" means a continuous period of time of not
15 more than four years starting from the date inactive status is granted by the
16 commissioner. Before returning to active status, such inactive insurance
17 agent shall:

18 (A) File a report with the commissioner certifying that such agent has
19 met the continuing education requirement; and

20 (B) pay the renewal fee. If the required proof of continuing education
21 completion and the renewal fee is not furnished at the end of the inactive
22 period, such individual insurance agent's qualification and each and every
23 corresponding license shall expire at the end of the period of inactivity. For
24 issuance of a new license, the individual shall apply for a license and pass
25 the required examination.

26 (6) Any individual who allows such individual's insurance agent
27 license in this state and all other states in which such individual is licensed
28 as an insurance agent to expire for a period of four or more consecutive
29 years, shall apply for a new insurance agent license and pass the required
30 examination.

31 (f) (1) Each course, program of study, or subject shall be submitted to
32 and certified by the commissioner in order to qualify for purposes of
33 continuing education.

34 (2) Each request for certification of any course, program of study or
35 subject shall contain the following information:

36 (A) The name of the provider or provider organization;

37 (B) the title of such course, program of study or subject;

38 (C) the date the course, program of study or subject will be offered;

39 (D) the location where the course, program of study or subject will be
40 offered;

41 (E) an outline of each course, program of study or subject including a
42 schedule of times when such material will be presented;

43 (F) the names and qualifications of instructors;

- 1 (G) the number of C.E.C.s requested;
- 2 (H) a nonrefundable C.E.C. qualification fee in the amount of \$50 per
3 course, program of study or subject or \$250 per year for all courses,
4 programs of study or subjects submitted by a specific provider or provider
5 organization; and
- 6 (I) a nonrefundable annual provider fee of \$100.
- 7 (3) Upon receipt of such information, the commissioner shall grant or
8 deny certification of any submitted course, program of study or subject as
9 an approved subject, program of study or course and indicate the number
10 of C.E.C.s that will be recognized for each approved course, program of
11 study or subject. Each approved course, program of study or subject shall
12 be assigned by the commissioner to one or both of the following classes:
- 13 (A) Property and casualty; or
- 14 (B) life insurance, including annuity and variable contracts, and
15 accident and health insurance.
- 16 (4) Each course, program of study or subject shall have a value of at
17 least one C.E.C.
- 18 (5) (A) Each provider seeking approval of a course, program of study
19 or subject for continuing education credit shall issue or cause to be issued
20 to each person who attends a course, program of study or subject offered
21 by such provider a certificate of attendance. The certificate shall be signed
22 by either the instructor who presents the course, program of study or
23 course or such provider's authorized representative. Each provider shall
24 maintain a list of all individuals who attend courses offered by such
25 provider for continuing education credit for the remainder of the biennium
26 in which the courses are offered and the entire next succeeding biennium.
- 27 (B) The commissioner shall accept, without substantive review, any
28 course, program of study or subject submitted by a provider that has been
29 approved by the insurance supervisory authority of any other state or
30 territory accredited by the NAIC. The commissioner may disapprove any
31 individual instructor or provider who has been the subject of disciplinary
32 proceedings or who has otherwise failed to comply with any other state's
33 or territory's laws or regulations.
- 34 (6) The commissioner may grant or approve any specific course,
35 program of study or course that has appropriate merit, such as any course,
36 programs of study or course with broad national or regional recognition,
37 without receiving any request for certification. The fee prescribed by
38 subsection (f)(2) shall not apply to any approval granted pursuant to this
39 provision.
- 40 (7) The C.E.C. value assigned to any course, program of study or
41 subject, other than a correspondence course, computer based training,
42 interactive internet study training or other course pursued by independent
43 study, shall in no way be contingent upon passage or satisfactory

1 completion of any examination given in connection with such course,
2 program of study or subject. The commissioner shall establish, by rules
3 and regulations criteria for determining acceptability of any method used
4 for verification of the completion of each stage of any computer based or
5 interactive internet study training. Completion of any computer based
6 training or interactive internet study training shall be verified in
7 accordance with a method approved by the commissioner.

8 (g) Upon request, the commissioner shall provide a list of all
9 approved continuing education courses currently available to the public.

10 (h) An individual insurance agent who independently studies an
11 insurance course, program of study or subject that is not an agent's
12 examination approved by the commissioner shall receive credit for the
13 C.E.C.s assigned by the commissioner as recognition for the approved
14 subject. No other credit shall be given for independent study.

15 (i) Any licensed individual insurance agent who is unable to comply
16 with license renewal procedures due to military service or some other
17 extenuating circumstances may request a waiver of those procedures from
18 the commissioner. Such agent may also request from the commissioner a
19 waiver of any examination requirement or any other fine or sanction
20 imposed for failure to comply with renewal procedures.

21 Sec. 12. K.S.A. 40-4903 is hereby repealed.

22 Sec. 13. This act shall take effect and be in force from and after
23 January 1, 2024, and its publication in the ~~statute book.~~

Kansas register