

As Amended by Senate Committee

SENATE BILL No. 423

By Committee on Financial Institutions and Insurance

1-30

Proposed Amendment to SB 423
House Committee on Insurance
March 4, 2024
Prepared by Office of Revisor of Statutes

1 AN ACT concerning insurance; reducing the number of board members
2 appointed by the commissioner on certain insurance-related governing
3 boards and the frequency of the meetings of the committee on surety
4 bonds and insurance; amending K.S.A. 40-2102, 40-2109, 40-3116, 40-
5 3413, 65-34, 126 and 75-4101 and repealing the existing sections.
6

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

8 Section 1. K.S.A. 40-2102 is hereby amended to read as follows: 40-
9 2102. (a) Every insurer undertaking to transact in the state of Kansas the
10 business of automobile and motor vehicle bodily injury and property
11 damage liability insurance and every rating organization ~~which that~~ files
12 rates for such insurance shall cooperate in ~~the preparation and submission~~
13 ~~preparing and submitting a plan~~ to the commissioner of insurance ~~of a~~
14 ~~plan or plans~~ for the equitable apportionment among insurers of applicants
15 for insurance who are in good faith, entitled to but ~~who~~ are unable to
16 procure through ordinary methods; such insurance. Such plan or plans
17 shall provide:

18 (b)(1) Reasonable rules governing the equitable distribution of risks
19 by direct insurance, reinsurance or otherwise and their assignment to
20 insurers, including provisions requiring, at the request of the applicant, an
21 immediate assumption of the risk by an insurer or insurers upon
22 completion of an application, payment of the specified premium and
23 deposit the application and the premium in the United States mail, postage
24 prepaid and addressed to the plan's office;

25 (b)(2) rates and rate modifications applicable to such risks ~~which that~~
26 shall be reasonable, adequate and not unfairly discriminatory;

27 (b)(3) the limits of liability ~~which that~~ the insurer shall be required to
28 assume;

29 (b)(4) a method ~~whereby~~ by which applicants for insurance, insureds
30 and insurers may have a hearing on grievances and the right of appeal to
31 the commissioner; and

32 (b)(5) ~~for every such plan or plans, there shall be a governing board~~
33 ~~for every such plan or plans, to be appointed by the commissioner of~~
34 insurance, which shall meet at least annually to review and prescribe
35 operating rules; ~~and which~~

36 (A) Such board shall consist of the following members:

1 medically necessary as determined by a treating physician. The
2 participation by a student in such coverage shall be voluntary. In the case
3 of students who are employed by a state educational institution in a student
4 position, the level of employer contributions toward such coverage shall be
5 determined by the board of regents.

6 (2) The state board of regents is hereby authorized to independently
7 provide, through self-insurance or the purchase of insurance contracts,
8 health care benefits for employees of a state educational institution, as
9 such term is defined in K.S.A. 76-711, and amendments thereto, when the
10 state health care benefits program is insufficient to satisfy the requirements
11 of 22 C.F.R. § 62.14, as in effect upon ~~the effective date of this section~~
12 *April 13, 2017*. Such healthcare benefits shall be limited to only those for
13 whom the state health care benefits program does not meet federal
14 requirements.

15 (3) The state board of regents may purchase cybersecurity insurance
16 as it deems necessary to protect student records, labor information and
17 other statutorily protected data that the board maintains, independent of the
18 committee on surety bonds and insurance and without complying with the
19 provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto.
20 As used in this paragraph, "cybersecurity insurance" includes, but is not
21 limited to, first-party coverage against losses such as data destruction,
22 denial of service attacks, theft, hacking and liability coverage guaranteeing
23 compensation for damages from errors such as the failure to safeguard
24 data.

25 (4) The state board of regents may adopt rules and regulations
26 necessary to administer and implement the provisions of this section.

27 Sec. 7. K.S.A. 40-2102, 40-2109, 40-3116, 40-3413, 65-34, 126 and
28 75-4101 are hereby repealed.

29 Sec. 8. This act shall take effect and be in force from and after its
30 publication in the ~~statute book~~.

Kansas register