

HOUSE BILL No. 2537

By Committee on Insurance

1-30

1 AN ACT concerning insurance; relating to disclosure statements contained
2 in policy documents and explanatory materials printed in any language
3 other than English; amending K.S.A. 2013 Supp. 40-216 and repealing
4 the existing section.
5

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

7 Section 1. K.S.A. 2013 Supp. 40-216 is hereby amended to read as
8 follows: 40-216. (a) (1) No insurance company shall hereafter transact
9 business in this state until certified copies of its charter and amendments
10 thereto shall have been filed with and approved by the commissioner of
11 insurance. A copy of the bylaws and amendments thereto of insurance
12 companies organized under the laws of this state shall also be filed with
13 and approved by the commissioner of insurance. The commissioner may
14 also require the filing of such other documents and papers as are necessary
15 to determine compliance with the laws of this state.

16 (2) (A) Except as provided in subparagraph (B), each contract of
17 insurance or indemnity issued or delivered in this state shall be effective
18 on filing, or any subsequent date selected by the insurer, unless the
19 commissioner disapproves such contract of insurance or indemnity within
20 30 days after filing because the contract of insurance or indemnity does
21 not comply with Kansas law.

22 (B) The following contracts of insurance or indemnity shall not be
23 subject to the provisions of subsection (A):

24 (i) Contracts pertaining to large risks as defined in subsection (i) of
25 K.S.A. 40-955, and amendments thereto, which are exempt from the filing
26 requirements of this section;

27 (ii) personal lines contracts filed in accordance with paragraph (3) of
28 this section;

29 (iii) any form filing for the basic coverage required by K.S.A. 40-
30 3401 et seq., and amendments thereto; and

31 (iv) form filing for workers compensation.

32 No form filing listed in clauses (iii) and (iv) of this subparagraph shall
33 be used in this state by any insurer until such form filing has been
34 approved by the commissioner.

35 (3) Each personal lines contract of insurance or indemnity issued or
36 delivered in this state shall be on file for a period of 30 days before

1 becoming effective unless the commissioner disapproves such personal
2 lines contract of insurance or indemnity within 30 days after filing because
3 the contract of insurance or indemnity does not comply with Kansas law.
4 For the purposes of this paragraph, the term "personal lines" shall mean
5 insurance for noncommercial automobile, homeowners, dwelling, fire and
6 renters insurance policies as defined by the commissioner by rules and
7 regulations.

8 (4) Under such rules and regulations as the commissioner of
9 insurance shall adopt, the commissioner may, by written order, suspend or
10 modify the requirement of filing forms of contracts of insurance or
11 indemnity, which cannot practicably be filed before they are used. Such
12 orders, rules and regulations shall be made known to insurers and rating
13 organizations affected thereby. The commissioner may make an
14 examination to ascertain whether any forms affected by such order meet
15 the standards of this code.

16 (5) The failure of any insurance company to comply with this section
17 shall not constitute a defense to any action brought on its contracts. An
18 insurer may satisfy its obligation to file its contracts of insurance or
19 indemnity either individually or by authorizing the commissioner to accept
20 on its behalf the filings made by a licensed rating organization or another
21 insurer.

22 (b) The commissioner of insurance shall allow any insurance
23 company authorized to transact business in this state to deliver to any
24 person in this state any contract of insurance or indemnity, including any
25 explanatory materials, written in any language other than the English
26 language under the following conditions:

27 (1) The insured or applicant for insurance who is given a copy of the
28 same contract of insurance or indemnity or explanatory materials written
29 in the English language;

30 (2) the English language version of the contract for insurance or
31 indemnity or explanatory materials delivered shall be the controlling
32 version; and

33 (3) any contract of insurance or indemnity or explanatory materials
34 written in any language other than English shall contain a disclosure
35 statement in ~~10 point boldface type~~, printed in both the English language
36 and the other language used, stating the English version of the contract of
37 insurance or indemnity is the official or controlling version and that the
38 version is written in any language other than English is furnished for
39 informational purposes only.

40 (c) All contracts of insurance or indemnity that are required to be
41 filed with the commissioner of insurance shall be accompanied by any
42 version of such contract of insurance or indemnity written in any language
43 other than the English language.

1 (d) Any insurance company or insurer, including any agent or
2 employee thereof, who knowingly misrepresents the content of a contract
3 of insurance or indemnity or explanatory materials written in a language
4 other than the English language shall be deemed to have violated the
5 unfair trade practice law.

6 (e) For the purposes of this section, the term "contract of insurance or
7 indemnity" shall include any rider, endorsement or application pertaining
8 to such contract of insurance or indemnity.

9 (f) (1) If at any time after a filing becomes effective, the
10 commissioner finds that such filing does not comply with this act, after the
11 commissioner shall send written notice to every insurer and rating
12 organization making such filing that a hearing concerning such filing will
13 be held in not less than 10 days.

14 (2) After the hearing, the commissioner shall issue an order stating:

15 (A) The reasons why such filing failed to comply with the act; and

16 (B) the date, within a reasonable time after the date the order is
17 issued, upon which such filing shall no longer be effective.

18 (3) A copy of the commissioner's order shall be sent to every insurer
19 and rating organization that made such filing.

20 (4) No order issued pursuant to this subsection shall affect any
21 contract or policy made or issued under such filing prior to the date
22 specified upon which such filing shall no longer be effective.

23 Sec. 2. K.S.A. 2013 Supp. 40-216 is hereby repealed.

24 Sec. 3. This act shall take effect and be in force from and after its
25 publication in the statute book.