AN ACT concerning insurance; relating to nonprofit dental service corporations; subscription agreements; disbursements; amending K.S.A. 40-19a11 and repealing the existing section.

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

Section 1. K.S.A. 40-19a11 is hereby amended to read as follows: 40-19a11. (a) No corporation subject to the provisions of this act shall during any one year disburse more than five percent (5%) of the aggregate amount of the payments received from subscribers pursuant to K.S.A. 40-19a02, and amendments thereto, during that year as expenditures for the soliciting of subscribers solicitation, except that during the first year after the issuance of a permit, such corporation may so disburse not more than twenty percent (20%) of such amount, during the second year not more than fifteen percent (15%), and during the third year not more than ten percent (10%).

(b) No such corporation shall, during any one year, disburse more than twelve percent (12%) of the aggregate amount of the payments received from subscribers pursuant to K.S.A. 40-19a02, and amendments thereto, during that year as administrative expenses, except that during the first two years after the issuance of the permit, such corporation may disburse not more than twenty percent (20%) of the payments received from subscribers pursuant to K.S.A. 40-19a02, and amendments thereto. The term, "administrative expenses," as used in this section, shall include all expenditures for nonprofessional services and, in general, all expenses not directly connected with the furnishing of the benefits specified in this act, but not including expenses referred to in subsection (a) hereof.

Sec. 2. K.S.A. 40-19a11 is hereby repealed.

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