AN ACT concerning insurance; relating to insurance companies; prohibiting companies from utilizing environmental, social and governance criteria in the process of writing contracts of insurance, indemnity or suretyship; authorizing the attorney general or the county attorney or district attorney where a violation occurred to enforce such prohibition; providing a civil penalty for violations thereof.

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

Section 1. (a) For the purposes of this section:
(1) "Company" means any organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity of business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of such entities or business associations that exists for the purpose of making a profit. "Company" does not mean a sole proprietorship.
(2) "Insurance company" means any corporation, company, association, society, person or partnership writing contracts of insurance, indemnity or suretyship upon any type of risk or loss. "Insurance company" does not include fraternal benefit societies as defined in K.S.A. 40-738, and amendments thereto, hospitals or hospital associations that have been in operation for not less than 10 years as of July 1, 2024.
(3) "Environmental, social and governance criteria" means any criterion that gives preferential treatment or discriminates based on whether a company meets or fails to meet one or more of the following criteria:
(A) Engaging in the exploration, production, utilization, transportation, sale or manufacturing of:
   (i) Fossil fuel-based energy;
   (ii) nuclear energy; or
   (iii) any other natural resource;
   (B) engaging in the production of agriculture;
   (C) engaging in the production of lumber;
   (D) engaging in mining;
   (E) emitting greenhouse gases or not disclosing or offsetting such greenhouse gas emissions;
   (F) engaging in the manufacturing, distribution or sale of firearms,
firearms accessories, ammunition or ammunition components;
(G) having a governing corporate board or other officers whose race, ethnicity, sex or sexual orientation meets or does not meet any criteria;
(H) facilitating or assisting or not facilitating or assisting employees in obtaining abortions or gender reassignment services; and
(I) doing business with any company described by subparagraphs (A) through (H).
(4) "Person" means an individual, unincorporated association or sole proprietorship.

(b) An insurance company shall not use environmental, social and governance criteria to give preferential treatment to or to discriminate against a company or person as it relates to the availability and costs of contracts of insurance, indemnity or suretyship.
(c) The attorney general or the county attorney or district attorney where a violation has occurred may enforce the provisions of this section.
(d) If the attorney general or the county attorney or district attorney has reasonable cause to believe that a person has engaged in, is engaging in or is about to engage in a violation of this section, the attorney general or the county attorney or district attorney may require:
   (1) Such person to file on such forms as the attorney general or the county attorney or district attorney may prescribe a statement or report in writing, under oath, as to all the facts and circumstances concerning the violation; and
   (2) the filing of such other data and information as the attorney general or the county attorney or district attorney may deem necessary.
(e) The attorney general or the county attorney or district attorney shall have the authority to further investigate violations of this section.
(f) Any insurance company found to have intentionally violated the provisions of this section shall be subject to a civil penalty of not more than $10,000 per violation.
(g) Any insurance company aggrieved by a finding of a violation of this section may appeal such finding to the district court in the manner provided by the Kansas judicial review act.
(h) All civil penalties recovered pursuant to the provisions of this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.
Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.