

**SENATE BILL No. 85**

By Committee on Financial Institutions and Insurance

1-23

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.