

SENATE BILL No. 17

AN ACT concerning insurance; enacting the fair access to insurance requirements plan act; amending K.S.A. 40-2101 and repealing the existing section.

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

New Section 1. (a) This act shall be known and may be cited as the fair access to insurance requirements plan act, or the FAIR plan act.

(b) The purpose of this act is to make available basic property and casualty insurance to persons having property interests in this state who are in good faith entitled to, but who are unable to, procure such coverage through the voluntary market. The FAIR plan shall provide for the equitable distribution and placement of risks among all member insurers who have voluntarily elected to participate and shall operate subject to the provisions and conditions of this act. This act supersedes the prior authority of the FAIR plan to act under K.S.A. 40-2101, and amendments thereto.

(c) All policies shall be issued on the forms and in accordance with the reasonable rates and rating procedures approved by the commissioner of insurance.

(d) All policies shall be issued for a term of one year.

(e) Within 60 days of the filing of the proposed rates, the commissioner of insurance shall enter an order either approving or disapproving, in whole or in part, the rate plan filed. The commissioner of insurance may, upon notice to the facility, extend the period for entering an order for an additional 30 days. No policies or endorsements shall be issued applying the proposed rates until such time as the commissioner of insurance approves such rates. An order disapproving a rate shall state the grounds for the disapproval and the findings in support thereof.

(f) The commissioner of insurance may adopt rules and regulations to administer the provisions of this act. Any such rules and regulations deemed necessary shall be promulgated no later than January 1, 2018.

Sec. 2. K.S.A. 40-2101 is hereby amended to read as follows: 40-2101. *Except as provided in section 1, and amendments thereto*, agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith, entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance provided that such apportionment agreements and rate modifications are approved by the commissioner of insurance.

Sec. 3. K.S.A. 40-2101 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

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*President of the Senate.*

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*Secretary of the Senate.*

Passed the HOUSE \_\_\_\_\_

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*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*