

*[As Amended by Senate Committee of the Whole]*

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*As Amended by Senate Committee*

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*Session of 2008*

## SENATE BILL No. 560

By Committee on Financial Institutions and Insurance

2-5

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12 AN ACT establishing the property/casualty flex-rating regulatory im-  
13 provement act; pertaining to personal lines insurance written on risks  
14 in this state by any insurer authorized to do business in this state.  
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16 *Be it enacted by the Legislature of the State of Kansas:*

17 Section 1. Notwithstanding the requirements of K.S.A. 40-952 and  
18 40-955, and amendments thereto, a filing made by an insurer under this  
19 section that provides for an overall statewide rate increase ~~or decrease~~ of  
20 no more than 12% **[or a decrease in any amount]** in the aggregate for  
21 all coverages that are subject to the filing may take effect the date it is  
22 filed. The 12% limitation shall not apply on an individual insured basis.  
23 No more than one rate filing may be made by an insurer pursuant to the  
24 expedited process provided in this section during any period of 12 con-  
25 secutive months, unless the combination of such rate filing and all other  
26 rate filings made by such insurer within the preceding period of 12 con-  
27 secutive months does not result in an overall statewide increase or de-  
28 crease of more than 12% in the aggregate for all coverages that are subject  
29 to such filing.

30 Sec. 2. Any rate filing which falls outside the limitations specified in  
31 section 1, and amendments thereto, shall be subject to K.S.A. 40-952 and  
32 40-955, and amendments thereto, unless such filing is otherwise exempt  
33 pursuant to another provision of Chapter 40 of the Kansas Statutes An-  
34 notated and acts amendatory thereof and supplemental thereto.

35 Sec. 3. (a) Any filing submitted pursuant to section 1, and amend-  
36 ments thereto, shall be deemed to comply with state law unless the com-  
37 missioner determines that the filing is inadequate or unfairly discrimi-  
38 natory. If the commissioner determines that the filing is inadequate or  
39 unfairly discriminatory, the commissioner shall issue a written order spec-  
40 ifying in detail:

41 (1) Each provision of Chapter 40 of the Kansas Statutes Annotated,  
42 and acts amendatory thereof and supplemental thereto, the insurer has  
43 violated;

1 (2) the reasons the filing is inadequate or unfairly discriminatory; and  
2 (3) stating a reasonable future date on which the filing shall be con-  
3 sidered no longer effective.

4 (b) If the commissioner issues an order pursuant to this section more  
5 than 30 days after the date on which the commissioner received the rate  
6 filing, the effect of such order shall be prospective only and shall not  
7 affect any contract issued or made before the effective date of such order.

8 Sec. 4. Within the limitation specified in section 1, and amendments  
9 thereto, no rate increase may be implemented with regard to an individual  
10 existing policy, unless such increase is applied at the time of a renewal or  
11 conditional renewal of an existing policy and the insurer mails or delivers  
12 to the named insured, at the address shown in the policy, a written notice  
13 that clearly and conspicuously discloses its intention to change the rate,  
14 at least 30 days in advance of the end of the insured's policy period. A  
15 notice of renewal or conditional renewal that clearly and conspicuously  
16 discloses the renewal premium applicable to the policy shall be deemed  
17 to comply with this section.

18 Sec. 5. For purposes of this act:

19 (a) "Commissioner" means the commissioner of insurance.

20 (b) "Unfairly discriminatory" ~~means~~ ***shall have the meaning as-***  
21 ***cribed to it in K.S.A. 40-953 and amendments thereto. The term***  
22 ***"unfairly discriminatory" includes*** a rate for a risk that is classified  
23 in whole or in part on the basis of race, color, creed or national origin.

24 Sec. 6. Sections 1 through 6, and amendments thereto, shall be  
25 known and may be cited as the property/casualty flex-rating regulatory  
26 improvement act.

27 Sec. 7. This act shall take effect and be in force from and after its  
28 publication in the statute book.