

**HOUSE BILL No. 2787**

By Committee on Insurance

Requested by Eric Turek on behalf of the Kansas Insurance Department

2-9

1 AN ACT concerning property and casualty insurance; relating to the  
2 Kansas insurance guaranty association act; updating certain definitions,  
3 terms and conditions thereto; establishing continuity of guaranty fund  
4 coverage when a policy is transferred from one insurer to another and  
5 of guaranty fund coverage related to cybersecurity insurance;  
6 authorizing the commissioner of insurance to reduce the number of  
7 members of the association's board of directors; amending K.S.A. 40-  
8 2903, 40-2905, 40-2906 and 40-2910 and repealing the existing  
9 sections.

10

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

12 Section 1. K.S.A. 40-2903 is hereby amended to read as follows: 40-  
13 2903. As used in this act: (a) "Association" means the Kansas insurance  
14 guaranty association created by this act.

15 (b) "Commissioner" means the commissioner of insurance of ~~this~~  
16 ~~state~~ Kansas.

17 (c) "Covered claim" ~~means~~ *includes the following:*

18 (1) An unpaid claim, including one for unearned premiums, ~~which~~  
19 *that* arises out of and is within the coverage and not in excess of the  
20 applicable limits of an insurance policy to which this act applies issued by  
21 an insurer, if such insurer becomes an insolvent insurer after the effective  
22 date of this act and:

23 ~~(1)~~(A) The claimant or insured is a resident of this state at the time of  
24 the insured event. For entities other than an individual, the residence of a  
25 claimant, insured or policyholder is the state in which the principal place  
26 of business of such claimant, insured or policyholder is located at the time  
27 of the insured events; or

28 ~~(2)~~(B) the claim is a first party claim for damage to property that is  
29 permanently located in this state.

30 (2) "Covered claim" *includes claim obligations that arose through*  
31 *the issuance of an insurance policy by a member insurer, which are later*  
32 *allocated, transferred, merged into, novated, assumed by or otherwise*  
33 *made the sole responsibility of a member or nonmember insurer if:*

34 (A) *The original member insurer has no remaining obligation on the*  
35 *policy after the transfer;*

1 repealed.

2 Sec. 6. This act shall take effect and be in force from and after its

3 publication in the ~~statute book~~

Kansas register