

## 2023 Kansas Statutes

**40-901. Kinds of business authorized; paid-up capital and surplus requirements; limitations on size of a single risk.** It shall be lawful for any stock fire insurance company organized under the laws of this state, the United States, or any other country, state or territory, and authorized to transact business in this state, having a paid-up capital of not less than \$450,000, a surplus of \$300,000 and a deposit equal to the minimum capital stock to make contracts of insurance or to cede or receive reinsurance thereon, for such of the following kinds of business as are specified in its articles of incorporation, namely:

(a) To make insurance upon property or any valuable interest thereon against loss or damage caused by fire, lightning, or other electrical disturbances, earthquake, windstorm, cyclone, tornado, tempest, hail, frost, snow, ice, sleet, weather or climatic condition, including excess or deficiency of moisture, flood, rain, or drought, or a rising of the waters of the ocean or its tributaries, bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, explosion, other than the explosion of steam boilers, or the breaking of flywheels, against loss or damage from any cause to trees, crops and farm products.

(b) To make insurance against loss or damage to property and against the liability of the insured for loss or damage to the property of others caused by water entering through leaks or openings in buildings or from the breakage or leakage of sprinklers, pumps, water pipes, plumbing and all tanks, apparatus, conduits and containers designated to bring water into buildings or for its storage or utilization therein, or caused by the falling of a tank, tank platform or supports, and against loss or damage from any cause to such sprinklers, pumps, water pipes, plumbing, tanks, apparatus, conduits or containers.

(c) To make insurance upon teams, automobiles and all vehicles, airplanes, seaplanes, dirigibles and other aircraft: (1) Against all loss or damage to the same, their fittings and contents from any cause, including the hazards of burglary, theft or other criminal act, vandalism or malicious mischief. (2) Against loss or damage to property, including legal liability therefor, caused by the operation, maintenance and use of the same.

(d) To make insurance against loss or damage to vessels, craft, aircraft, automobiles and vehicles of every kind, excluding automobiles operating under their own power or while in storage not incidental to transportation, as well as all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidence of debt, valuable papers, bottomry and respondentia interests, and all kinds of property and interests herein in respect to, pertaining to or in connection with any or all risks or perils of navigation, transit or transportation, including war risks, on or under any seas or waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same, or during any delays, storage, transshipment or reshipment incidental thereto; including marine builders' risks and war risks; and from loss or damage to persons or property in connection with or appertaining to marine, inland marine, transit or transportation insurance, including loss or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such primary insurance (but not including life insurance or surety bonds), but except as herein specified shall not mean insurance against loss by reason of bodily injury to the person.

(e) Against loss or damage to property from any casualty, power to insure against which is not prohibited by the laws of this state or exclusively delegated by this code to any other class or kind of company.

(f) And against consequential loss or damage arising from any of the causes above enumerated.

(g) Against loss or damage to horses, cattle, other livestock and domestic animals by accident, theft or death, or against any known or contingent event whatever which may lawfully be the subject of insurance.

And generally to do and perform all other matters and things proper to promote these objects. No insurance company organized under the laws of this state transacting

business in this state shall expose itself to loss on any one risk or hazard to an amount exceeding 10% of its paid-up capital and surplus, unless the excess shall be reinsured in some other company duly authorized to transact similar business in this state or as otherwise provided in the insurance code, and no insurance company not organized under the laws of this state and transacting business in this state shall expose itself to loss on any one risk or hazard to an amount exceeding 10% of its paid-up capital and surplus unless the excess shall be reinsured either in some company duly authorized to transact similar business in this state or as provided by the laws of such company's domiciliary state. Any stock company with charter powers so to do and having a paid-up capital stock of at least \$900,000 and a surplus of at least \$600,000, may in addition to the kinds and classes of business mentioned in this section, transact the kinds and classes of business mentioned in K.S.A. 40-1102, and amendments thereto, including surety bonds and except as herein specified, insurance against loss by reason of bodily injuries as provided for in K.S.A. 40-1102, and amendments thereto, and shall maintain all reserves required by law for the kinds and class of business transacted. Any company executing suretyship obligations shall be subject to the provisions of K.S.A. 40-1107, and amendments thereto. Until May 1, 1989, stock insurers which were authorized to transact business in Kansas after January 1, 1969, but before January 1, 1984, shall be required to have paid-up capital stock, surplus and deposits equal to that which was required by this section prior to the passage of this act. After May 1, 1989, such companies shall comply with the paid-up capital stock, surplus and deposit requirements provided by this act.

Until May 1, 1989, companies doing business in this state on January 1, 1969, shall be required to have a paid-up capital stock, surplus and deposit equal to that required of such companies prior to the passage of this act. On and after May 1, 1989, companies doing business in this state on January 1, 1969, shall be required to have a paid-up capital stock, surplus and deposit equal to that required of all other companies to whom this section applies immediately prior to the passage of this act.

On and after May 1, 1994, companies doing business in this state on January 1, 1969, shall comply with the paid-up capital, surplus and deposit requirements provided by this act.

No provision of this act shall require insurance companies doing business in this state on January 1, 1969, which have subsequently become authorized to transact business in accordance with a different article of chapter 40 of the Kansas Statutes Annotated to comply with the paid-up capital, surplus and deposit requirements of this act until May 1, 1994.

History: L. 1927, ch. 231, 40-901; L. 1951, ch. 294, § 1; L. 1965, ch. 300, § 3; L. 1967, ch. 261, § 1; L. 1969, ch. 237, § 3; L. 1970, ch. 179, § 1; L. 1971, ch. 167, § 1; L. 1972, ch. 184, § 1; L. 1984, ch. 169, § 3; July 1.