

40-4913. Same; termination of agent; notification of commissioner; records; maintenance of and availability to commissioner; sharing of records; conditions. (a) (1) Each insurer shall notify the commissioner whenever such insurer terminates a business relationship with an insurance agent if:

- (A) The termination is for cause;
- (B) such insurance agent has committed any act which would be in violation of any provision of subsection (a) of K.S.A. 2014 Supp. 40-4909, and amendments thereto; or
- (C) such insurer has knowledge that such insurance agent is engaged in any activity which would be in violation of any provision of subsection (a) of K.S.A. 2014 Supp. 40-4909, and amendments thereto.

(2) The notification shall:

- (A) Be made in a format prescribed by the commissioner;
- (B) be submitted to the commissioner within 30 days of the date of the termination of the business relationship; and
- (C) contain:
 - (i) The name of the insurance agent; and
 - (ii) the reason for the termination of the business relationship with such insurer.

(3) Upon receipt of a written request from the commissioner, each insurer shall provide to the commissioner any additional data, documents, records or other information concerning the termination of the insurer's business relationship with such agent.

(4) Whenever an insurer discovers or obtains additional information which would have been reportable under paragraph (1) of this subsection, the insurer shall forward such additional information to the commissioner within 30 days of its discovery.

(b) (1) Each insurer shall notify the commissioner whenever such insurer terminates a business relationship with an insurance agent for any reason not listed in subsection (a).

(2) The notification shall:

- (A) Be made in a format prescribed by the commissioner;
- (B) be submitted to the commissioner within 30 days of the date of the termination of the business relationship.
- (3) Upon receipt of a written request from the commissioner, each insurer shall provide to the commissioner any additional data, documents, records or other information concerning the termination of the insurer's business relationship with such agent.

(4) Whenever an insurer discovers or obtains additional information which would have been reportable under paragraph (1) of this subsection, the insurer shall forward such additional information to the commissioner within 30 days of its discovery.

(c) For the purposes of this section, the term "business relationship" shall include any appointment, employment, contract or other relationship under which such insurance agent represents the insurer.

(d) (1) No insurance entity, or any agent or employee thereof acting on behalf of such insurance entity, regulatory official, law enforcement official or the insurance regulatory official of another state who provides information to the commissioner in good faith pursuant to this section shall be subject to a civil action for damages as a result of reporting such information to the commissioner. For the purposes of this section, insurance entity shall mean any insurer, insurance agent or organization to which the commissioner belongs by virtue of the commissioner's office.

(2) Any document, material or other information in the control or possession of the department that is furnished by an insurance entity or an employee or agent thereof acting on behalf of such insurance entity, or obtained by the insurance commissioner in an investigation pursuant to this section shall be kept confidential by the commissioner. Such information shall not be made public or subject to subpoena, other than by the commissioner and then only for the purpose of enforcement actions taken by the commissioner pursuant to this act or any other provision of the insurance laws of this state.

(3) Neither the commissioner nor any person who received documents, materials or other information while acting under the authority of the commissioner shall be required to testify in any private civil action concerning any confidential documents, materials or information subject to paragraph (2).

(4) The commissioner may share or exchange any documents, materials or other information, including confidential and privileged documents referred to in paragraph (2) of subsection (d), received in the performance of the commissioner's duties under this act, with:

- (A) The NAIC;
- (B) other state, federal or international regulatory agencies; and
- (C) other state, federal or international law enforcement authorities.

(5) (A) The sharing or exchanging of documents, materials or other information under this subsection shall be conditioned upon the recipient's authority and agreement to maintain the confidential and privileged status, if any, of the documents, materials or other information being shared or exchanged.

(B) No waiver of an existing privilege or claim of confidentiality in the documents, materials or information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized by paragraph (1) of subsection (d).

(6) The commissioner of insurance is hereby authorized to adopt such rules and regulations establishing protocols governing the exchange of information as may be necessary to implement and carry out the provisions of this act.

(e) The provisions of paragraph (2) of subsection (d) shall expire on July 1, 2016, unless the legislature acts to reenact such provision. The provisions of paragraph (2) of subsection (d) shall be reviewed by the legislature prior to July 1, 2016.

(f) For the purposes of this section, insurance entity shall mean any insurer, insurance agent or organization to which the commissioner belongs by virtue of the commissioner's office.

(g) Any insurance entity, including any authorized representative of such insurance entity, that fails to report to the commissioner as required under the provisions of this section or that is found by a court of competent jurisdiction to have failed to report in good faith, after notice and hearing, may have its license or certificate of authority suspended or revoked and may be fined in accordance with K.S.A. 2014 Supp. 40-4909, and amendments thereto.

History: L. 2001, ch. 91, § 13; L. 2011, ch. 11, § 7; July 1.