

2023 Kansas Statutes

40-4321. Same; books and records; maintenance requirements. (a) Unless otherwise approved by the commissioner, a captive insurance company shall maintain its books, records, documents, accounts, vouchers and agreements in Kansas. Notwithstanding the foregoing, all electronic documents shall be accessible within the state. A captive insurance company shall make its books, records, documents, accounts, vouchers and agreements available for inspection by the commissioner at any time. A captive insurance company shall keep its books, records, documents, accounts, vouchers and agreements in such manner that its financial condition, affairs and operations can be readily ascertained and in such manner that the commissioner may readily verify its financial statements and determine its compliance with all relevant statutes.

(b) Unless otherwise approved by the commissioner, all original books, records, documents, accounts, vouchers and agreements of a captive insurance company must be preserved and kept available in Kansas for the purpose of examination and inspection until the commissioner approves their destruction or other disposition. If the commissioner approves the preservation and keeping of the foregoing outside of Kansas, the captive insurance company shall maintain a complete and true copy of each such original within the state. Books, records, documents, accounts, vouchers and agreements may be photographed, reproduced on film or stored and reproduced electronically.

(c) If any company, by its officers, directors, employees or agents, fails to comply with subsections (a) and (b), the commissioner, after notice and opportunity for hearing, may impose a civil penalty of up to \$5,000 for each violation or act, along with a penalty of up to \$1,000 for each week thereafter that such report or document is not provided. A violation of subsection (a) or (b) shall also be grounds for suspension or refusal of, or nonrenewal of, the certificate of authority held by the captive insurance company. Any proceeding for suspension, revocation or refusal of any certificate of authority shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

History: L. 2018, ch. 50, § 4; July 1.