

Proposed

**KANSAS INSURANCE DEPARTMENT  
Notice of Hearing on Proposed  
Administrative Regulation**

A public hearing will be conducted at 1:30 p.m., May 4, 2011, in the third floor conference room, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, to consider the adoption of a proposed rule and regulation.

The 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rule and regulation. All interested parties may submit written comments prior to the hearing to John Wine, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, 66612-1678, via facsimile at 785-291-3673, or via email at [jwine@ksinsurance.org](mailto:jwine@ksinsurance.org). All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing.

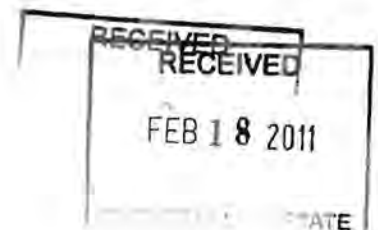
A summary of the proposed regulation and its economic impact follows.

**K.A.R. 40-1-22. Insurance policies and certificates; change of name or merger of an insurance company; assumption of risk endorsements; requirements.** This regulation clarifies that assumption of risk endorsements must be attached to certificates of insurance as well as to insurance policies.

Because this amendment attempts to clarify rather than change any requirements, there should be no economic impact.

There will be little or no economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and the economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least 5 working days in advance by contacting John Wine at (785) 296-7847 or via email at [jwine@ksinsurance.org](mailto:jwine@ksinsurance.org). Any individual desiring a copy of this regulation and/or the policy and procedure that is being adopted by reference, if applicable, may obtain a copy from our website, [www.ksinsurance.org](http://www.ksinsurance.org), under the Legal Issues link or by contacting John Wine by phone at (785)296-7847 or via email at [jwine@ksinsurance.org](mailto:jwine@ksinsurance.org). The charge for copies is fifty cents per page.



**K.A.R. 40-1-22. Insurance policies and certificates; change of name or merger of an insurance company; assumption of risk endorsements; ~~requirements.~~** (a) ~~The~~ Each assuming company shall attach to each policy and each certificate an “assumption of risk” endorsement that displays the name and address of the assuming company when any outstanding policy or certificate of insurance issued to a resident of Kansas is affected by any of the following:

- (1) A change in the name of the issuing company;
- (2) a merger, consolidation, or similar transaction involving the issuing company;
- (3) a change of domicile in which policy liability is assumed by another company; or
- (4) an assumption reinsurance agreement.

(b) The “assumption of risk” endorsement shall be approved by the commissioner of insurance before issuance to residents of the state of Kansas.

(c) ~~An~~ Each “assumption of risk” endorsement originating from an assumption reinsurance agreement shall ~~not~~ meet the following requirements:

(1) Not require the insured to take affirmative action to reject the substitution of one insurer for another; ~~or~~ and

(2) not state that failure to reject ~~such~~ the substitution or the continued payment of premium will constitute acceptance of the substitution. (Authorized by K.S.A. 40-103; implementing ~~K.S.A. 40-221(a)~~ K.S.A. 2010 Supp. 40-221a, K.S.A. 2010 Supp. 40-309, and K.S.A. 40-510, 40-1220, 40-1221, 40-1222; effective Jan. 1, 1967; amended May 1, 1979; amended May 1, 1986; amended March 28, 1994; amended P-\_\_\_\_\_.)



ATTORNEY GENERAL

DEPT. OF ADMINISTRATION

FEB 15 2011

FEB 11 2011

APPROVED BY *[Signature]*

APPROVED

Proposed

**ECONOMIC IMPACT STATEMENT**

***Proposed Kansas Administrative Regulation 40-1-22***

Pursuant to K.S.A. 2010 Supp. 77-416(b) the Kansas Insurance Department (KID) submits the following description of the economic impact of the above referenced proposed amendment to K.A.R. 40-1-22:

1. This regulation clarifies that assumption of risk endorsements must be attached to certificates of insurance as well as to insurance policies.
2. Because this amendment attempts to clarify rather than change any requirements, there should be no economic impact.
3. There will be little or no economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.

