

40-5202. Same; definitions. For the purposes of this act:

(a) "Assuming insurer" means the insurer that acquires an insurance obligation or risk, or both, from the transferring insurer pursuant to an assumption reinsurance agreement.

(b) "Assumption reinsurance agreement" means any contract that both:

(1) Transfers insurance obligations or risks, or both, of existing or in-force contracts of insurance from a transferring insurer to an assuming insurer; and

(2) is intended to effect a novation of the transferred contract of insurance with the result that the assuming insurer becomes directly liable to the policyholders of the transferring insurer and the transferring insurer's insurance obligations or risks, or both, under the contracts are extinguished.

(c) "Commissioner" means the commissioner of insurance as defined by K.S.A. 40-102, and amendments thereto, unless the context requires otherwise.

(d) "Contract of insurance" means any written agreement between an insurer and policyholder pursuant to which the insurer, in exchange for premium or other consideration, agrees to assume an obligation or risk, or both, of the policyholder or to make payments on behalf of, or to, the policyholder or its beneficiaries. Contract of insurance includes all property, casualty, life, health, accident, surety, title and annuity business authorized to be written pursuant to the insurance laws of this state.

(e) "Home service business" means insurance business on which premiums are collected on a weekly or monthly basis by an agent of the insurer.

(f) "Notice of transfer" means the written notice to policyholders required by K.S.A. 2014 Supp. 40-5203, and amendments thereto.

(g) "Policyholder" means any individual or entity which has the right to terminate or otherwise alter the terms of a contract of insurance.

Policyholder includes any certificateholder whose certificate is in force on the proposed effective date of the assumption, if the certificateholder has the right to keep the certificate in force without change in benefit following termination of the group policy.

The right to keep the certificate in force shall not include the right to elect individual coverage under the consolidated omnibus budget reconciliation act ("COBRA") section 601 et seq., of the employee retirement income security act of 1974, as amended, 29 U.S.C. §§ 1161 et seq.

(h) "Transferring insurer" means the insurer which transfers an insurance obligation or risk, or both, to an assuming insurer pursuant to an assumption reinsurance agreement.

(i) This section shall take effect on and after July 1, 2004.

History: L. 2004, ch. 128, § 7; May 20.