

## REPORTS OF STANDING COMMITTEES

MADAM PRESIDENT:

The Committee on **Financial Institutions and Insurance** recommends **HB 2064** be amended on page 3, in line 2, by striking "or"; in line 4, after "thereto" by inserting "; or (5) a company providing products and services to customers for a fee where customers receive consultations with a licensed attorney connected to the customer by the company, so long as the company does not directly provide legal services, pay for legal services beyond a minimal administrative fee per customer or indemnify or reimburse the customer for any legal expenses incurred";

Also, on page 3, following line 18, by inserting:

"Sec. 3. K.S.A. 40-19a11 is hereby amended to read as follows: 40-19a11. (a) No corporation subject to the provisions of this act shall during any one year disburse more than ~~five percent (5%)~~ 5% of the aggregate amount of the payments received ~~from subscribers pursuant to K.S.A. 40-19a02, and amendments thereto,~~ during that year as expenditures for ~~the soliciting of subscribers~~ solicitation, except that during the first year after the issuance of a permit, such corporation may so disburse not more than ~~twenty percent (20%)~~ 20% of such amount, during the second year not more than ~~fifteen percent (15%)~~ 15%, and during the third year not more than ~~ten percent (10%)~~ 10%.

(b) No such corporation shall, during any one year, disburse more than ~~twelve percent (12%)~~ 12% of the aggregate amount of the payments received ~~from subscribers pursuant to K.S.A. 40-19a02, and amendments thereto,~~ during that year as administrative expenses, except that during the first two years after the issuance of the permit, such corporation may disburse not

more than ~~twenty percent (20%)~~ 20% of the payments received ~~from subscribers~~ pursuant to K.S.A. 40-19a02, and amendments thereto. The term, "administrative expenses," as used in this section, shall include all expenditures for nonprofessional services and, in general, all expenses not directly connected with the furnishing of the benefits specified in this act, but not including expenses referred to in subsection (a) hereof.";

Also on page 3, in line 19, after "40-1102" by inserting ", 40-19a11";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after the second "insurance" by inserting ", nonprofit dental corporations, subscription agreements, disbursements"; in line 2, after "40-1102" by inserting ", 40-19a11"; and the bill be passed as amended.

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Chairperson