

**40-252. Schedules of fees and taxes for insurance companies and fraternal benefit societies; credits; deductions; returns; time for payment.** Every insurance company or fraternal benefit society organized under the laws of this state or doing business in this state shall pay to the commissioner of insurance fees and taxes specified in the following schedule:

A

*Insurance companies organized under the laws of this state:*

1. Capital stock insurance companies and mutual legal reserve life insurance companies: Filing application for sale of stock or certificates of indebtedness \$25  
Admission fees: Examination of charter and other documents 500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10
2. Mutual life, accident and health associations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10
3. Mutual fire, hail, casualty and multiple line insurers and reciprocal or interinsurance exchanges:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority provided in this code, all such companies shall pay a fee of \$2 for each agent certified by the company and shall also pay a tax annually upon all premiums received on risk located in this state at the rate of 1% for tax year 1997, and 2% for all tax years thereafter per annum less (1) for tax years prior to 1984, any taxes paid on business in this state pursuant to the provisions of K.S.A. 40-1701 to 40-1707, inclusive, and 75-1508, and amendments thereto, and (2) for tax years 1984 and thereafter, any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of credits against the tax imposed by this section for taxes paid by all such companies on business in this state under K.S.A. 40-1701 to 40-1707, inclusive, and amendments thereto, for tax year 1983, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, all premiums received for reinsurance from any other company authorized to do business in this state, dividends returned to policyholders and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

B

*Fraternal benefit societies organized under the laws of this state:*

- Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

C

*Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of this state:*

1. Mutual nonprofit hospital service corporations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10
2. Nonprofit medical service corporations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10
3. Nonprofit dental service corporations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10
4. Nonprofit optometric service corporations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10
5. Nonprofit pharmacy service corporations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to 1% for tax year 1997, and 2% for all tax years thereafter per annum of the total of all premiums, subscription charges, or any other term which may be used to describe the charges made by such corporation or association to subscribers for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

D

*Insurance companies organized under the laws of any other state, territory or country:*

1. Capital stock insurance companies and mutual legal reserve life insurance companies: Filing application for sale of stock or certificates of indebtedness \$25  
Admission fees: Examination of charter and other documents 500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

In addition to the above fees all such companies shall pay \$5 for each agent certified by the company, except as otherwise provided by law. As a condition precedent to the continuation of the certificate of authority, provided in this code, every company organized under the laws of any other state of the United States or of any foreign country shall pay a tax upon all premiums received during the preceding year at the rate of 2% per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

2. Mutual life, accident and health associations:  
Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

In addition to the above fees, every such company organized under the laws of any other state of the United States shall pay \$5 for each agent certified by the company, and shall pay a tax annually upon all premiums received at the rate of 2% per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

3. Mutual fire, casualty and multiple line insurers and reciprocal or interinsurance exchanges:  
Admission fees: Examination of charter and other documents and issuance of certificate of authority \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

In addition to the above fees, every such company or association organized under the laws of any other state of the United States shall pay a

fee of \$5 for each agent certified by the company and shall also pay a tax annually upon all premiums received at the rate of 2% per annum. For tax years 1998 and thereafter, the annual tax shall be reduced by the "applicable percentage" of (1) any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and (2) the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company taxable under this subsection for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1701 to 40-1707, and amendments thereto, for tax year 1983 as then in effect, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year. The "applicable percentage" shall be as follows:

| Tax Year            | Applicable Percentage |
|---------------------|-----------------------|
| 1998                | 10%                   |
| 1999                | 20%                   |
| 2000                | 40%                   |
| 2002                | 50%                   |
| 2003                | 60%                   |
| 2004                | 70%                   |
| 2005                | 80%                   |
| 2006                | 90%                   |
| 2007 and thereafter | 100%                  |

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, all premiums received for reinsurance from any other company authorized to do business in this state, and dividends returned to policyholders.

#### E

##### *Fraternal benefit societies organized under the laws of any other state, territory or country:*

Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

#### F

##### *Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of any other state, territory or country:*

1. Mutual nonprofit hospital service corporations:

Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

2. Nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations:

Admission fees: Examination of charter and other documents \$500 Filing annual statement 100 Certificate of authority 10  
Annual fees: Filing annual statement 100 Continuation of certificate of authority 10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to 2% per annum of the total of all premiums, subscription charges, or any other term which may be used to describe the charges made by such corporation or association to subscribers in this state for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

#### G

##### *Payment of Taxes.*

For the purpose of insuring the collection of the tax upon premiums, assessments and charges as set out in subsection A, C, D or F, every insurance company, corporation or association shall at the time it files its annual statement, as required by the provisions of K.S.A. 40-225, and amendments thereto, make a return, generated by or at the direction of its president and secretary or other chief officers, under penalty of K.S.A. 2016 Supp. 21-5824, and amendments thereto, to the commissioner of insurance, stating the amount of all premiums, assessments and charges received by the companies or corporations in this state, whether in cash or notes, during the year ending on the December 31 next preceding.

Commencing in 1985 and annually thereafter the estimated taxes shall be paid as follows: On or before June 15 and December 15 of such year an amount equal to 50% of the full amount of the prior year's taxes as reported by the company shall be remitted to the commissioner of insurance. As used in this paragraph, "prior year's taxes" includes (1) taxes assessed pursuant to this section for the prior calendar year, (2) fees and taxes assessed pursuant to K.S.A. 40-253, and amendments thereto, for the prior calendar year, and (3) taxes paid for maintenance of the department of the state fire marshal pursuant to K.S.A. 75-1508, and amendments thereto, for the prior calendar year.

Upon the receipt of such returns the commissioner of insurance shall verify the same and assess the taxes upon such companies, corporations or associations on the basis and at the rate provided herein and the balance of such taxes shall thereupon become due and payable giving credit for amounts paid pursuant to the preceding paragraph, or the commissioner shall make a refund if the taxes paid in the prior June and December are in excess of the taxes assessed.

#### H

The fee prescribed for the examination of charters and other documents shall apply to each company's initial application for admission and shall not be refundable for any reason.

**History:** L. 1927, ch. 231, 40-252; L. 1965, ch. 299, § 1; L. 1970, ch. 183, § 1; L. 1972, ch. 174, § 15; L. 1974, ch. 295, § 2; L. 1975, ch. 243, § 15; L. 1976, ch. 311, § 4; L. 1978, ch. 164, § 7; L. 1980, ch. 131, § 1; L. 1981, ch. 189, § 1; L. 1984, ch. 161, § 2; L. 1984, ch. 165, § 9; L. 1985, ch. 160, § 1; L. 1987, ch. 159, § 15; L. 1997, ch. 175, § 3; L. 1998, ch. 10, § 1; L. 2007, ch. 122, § 3; L. 2011, ch. 30, § 176; July 1.