

**40-3003. Persons provided coverage; policies and contracts specified.** (a) This act shall provide coverage, for the policies and contracts specified in subsection (b), for:

(1) Persons who, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, are the beneficiaries, assignees, payees or providers of the persons covered under paragraph (2); and

(2) persons who are owners of or certificate holders under such policies or contracts other than structured settlement annuities, and who:

(A) Are residents;

(B) are not residents, but only with respect to an annuity contract awarded pursuant to K.S.A. 60-3407 or 60-3409, and amendments thereto, an annuity contract for future economic loss procured pursuant to a settlement agreement in a medical malpractice liability action, as defined by K.S.A. 60-3401, and amendments thereto, or fixed-return accounts of the Kansas public employees deferred compensation plan under K.S.A. 2016 Supp. 74-49b08 through 74-49b14, and amendments thereto; or

(C) are not residents, but only under all of the following conditions:

(i) The insurers which issued such policies or contracts are domiciled in this state;

(ii) the states in which such persons reside have one or more associations similar to the association created by this act;

(iii) the persons are not eligible for coverage by an association in any other state due to the fact that the insurer was not licensed in the state at the time specified in the state's guaranty association law.

(3)(A) Paragraphs (1) and (2) of this subsection shall not apply to structured settlement annuities.

(B) Except as provided in paragraphs (4) and (5) of this subsection, this act shall provide coverage to a person who is a payee under a structured settlement annuity, or beneficiary of a payee if the payee is deceased, if the payee:

(i) (a) Is a resident, regardless of where the contract holder resides; or

(b) is not a resident, but only under both of the following conditions:

(1) The contract holder of the structured settlement annuity is a resident; or

(2) the contract holder of the structured settlement annuity is not a resident; but:

(A) The insurer that issued the structured settlement annuity is domiciled in this state; and

(B) the state in which the contract holder resides has an association similar to the association created by this act; and

(ii) neither the payee or beneficiary nor the contract holder is eligible for coverage by the association of the state in which the payee or contract holder resides.

(4) This act shall not provide coverage to a person who is a payee or beneficiary of a contract holder resident of this state, if the payee or beneficiary is afforded any coverage by the association of another state.

(5) This act is intended to provide coverage to a person who is a resident of this state and, in special circumstances, to a nonresident. In order to avoid duplicate coverage, if a person who would otherwise receive coverage under this act is provided coverage under the laws of any other state, the person shall not be provided coverage under this act. In determining the application of the provisions of this paragraph in situations where a person could be covered by the association of more than one state, whether as a contract holder, payee, beneficiary or assignee, this act shall be construed in conjunction with other state laws to result in coverage by only one association.

(b) This act shall provide coverage to the persons specified in subsection (a) for direct, nongroup life, health, or annuity policies or contracts, supplemental contracts or unallocated annuity contracts covering individuals participating in a governmental deferred compensation plan established under section 457 of the U.S. internal revenue code pursuant to K.S.A. 2016 Supp. 74-49b08 through 74-49b14, and amendments thereto, whether or not a resident, or the beneficiaries of each such individual if deceased, and for certificates under direct group policies and contracts issued by member insurers, except as limited by this act.

**History:** L. 1972, ch. 190, § 3; L. 1984, ch. 161, § 4; L. 1986, ch. 229, § 23; L. 1986, ch. 180, § 2; L. 1986, ch. 181, § 1; L. 1998, ch. 19, § 1; L. 2001, ch. 21, § 1; L. 2011, ch. 17, § 1; July 1.

\* Kansas enacted new and revised certain statutes cited effective January 1, 2008, providing for a new deferred compensation plan for public employees, see Article 49b of Chapter 74.