

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: House Committee on Insurance  
From: Eileen Ma, Assistant Revisor of Statutes  
Date: March 15, 2018  
Subject: SB 410, as amended by Senate Committee

SB 410 updates and expands Kansas law relating to captive insurance companies.

There are 18 current statutes relating to captive insurance companies. Only two of the 18 have been amended since originally enacted in 1988. Of the original 18 statutes, SB 410 updates 14 and repeals 2, as well as enacting 35 new sections. (See accompanying bill index).

**New definitions:**

- An association captive insurance company is a company that insures the risks of members of the association.
- A branch captive insurance company is defined as an alien captive insurance company that has been issued a certificate of authority to transact the business of insurance in Kansas through a business unit with a principal place of business in Kansas and has not otherwise been issued a certificate of authority by the commissioner to transact insurance under this act.
- An alien captive insurance company (formed under the laws of any country or jurisdiction other than the United States) is an insurance company that is formed to write insurance business of a nature that the commissioner determines is otherwise permissible under the act and is licensed or authorized pursuant to the laws of an alien jurisdiction that imposes statutory or regulatory standards in a form acceptable to the commissioner on companies transacting the business of insurance in that jurisdiction.
- A special purpose insurance captive is a captive insurance company that has received a certificate of authority to reinsure the risks of a ceding company pursuant to a special purpose insurance captive contract as per an approved plan of operations.

The branch captive insurance company and the special purpose insurance company are two new captive-insurance-type entities created by this bill, and the regulatory schemes relating to each type of entity are also enacted within the bill.

The Senate Committee on Financial Institutions and Insurance added an amendment that corrected several internal cross-references.

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11	New	Branch captive insurance companies; certification of general good requirement
9	New	Branch captive insurance companies; definitions
8	New	Branch captive insurance companies; establishment of; applicable law
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6	New	Captive insurance companies; dormant captive insurance companies; certification of; licensure renewal
5	New	Captive insurance companies; establishment of captive insurance regulatory and supervision fund
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1	New	Citation of act
51	New	Effective date of bill
50	New	Repealer section of bill