

**HOUSE BILL No. 2065**

By Committee on Insurance

1-21

1 AN ACT concerning insurance; relating to nonprofit dental service  
2 corporations; subscription agreements; disbursements; amending  
3 K.S.A. 40-19a11 and repealing the existing section.

4  
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 40-19a11 is hereby amended to read as follows: 40-  
7 19a11. (a) No corporation subject to the provisions of this act shall during  
8 any one year disburse more than ~~five percent (5%)~~ 5% of the aggregate  
9 amount of the payments received ~~from subscribers pursuant to K.S.A. 40-~~  
10 ~~19a02, and amendments thereto,~~ during that year as expenditures for ~~the~~  
11 ~~soliciting of subscribers solicitation,~~ except that during the first year after  
12 the issuance of a permit, such corporation may so disburse not more than  
13 ~~twenty percent (20%)~~ 20% of such amount, during the second year not  
14 more than ~~fifteen percent (15%)~~ 15%, and during the third year not more  
15 than ~~ten percent (10%)~~ 10%.

16 (b) No such corporation shall, during any one year, disburse more  
17 than ~~twelve percent (12%)~~ 12% of the aggregate amount of the payments  
18 received ~~from subscribers pursuant to K.S.A. 40-19a02, and amendments~~  
19 ~~thereto,~~ during that year as administrative expenses, except that during the  
20 first two years after the issuance of the permit, such corporation may  
21 disburse not more than ~~twenty percent (20%)~~ 20% of the payments  
22 received ~~from subscribers pursuant to K.S.A. 40-19a02, and amendments~~  
23 ~~thereto.~~ The term, "administrative expenses," as used in this section, shall  
24 include all expenditures for nonprofessional services and, in general, all  
25 expenses not directly connected with the furnishing of the benefits  
26 specified in this act, but not including expenses referred to in subsection  
27 (a) hereof.

28 Sec. 2. K.S.A. 40-19a11 is hereby repealed.

29 Sec. 3. This act shall take effect and be in force from and after its  
30 publication in the statute book.