



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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## BULLETIN 2014-2

To: All Health Insurers and Third Party Administrators Authorized to Transact Business in Kansas

From: Sandy Praeger, Commissioner of Insurance

Subject: Association Health Plans

Date: July 8, 2014

During the 2014 legislative session the Kansas Legislature enacted Senate Bill 309, L2014 Ch. 44, which amended K.S.A. 40-2222, and added farmers' cooperatives and other qualified trade, merchant, retail, or professional associations or business leagues to the list of entities eligible to provide coverage for medical, surgical, and other health care services outside of the jurisdiction of the Department. Under the law these new associations or business leagues are also required to pay, no later than May 1 of each year, a tax of 1% per annum upon the annual Kansas gross premium collected during the preceding calendar year.

K.S.A. 40-2222 includes no requirement for these entities to register or report information about their health plans to the Department. However, it is our understanding that these associations may contract with you to provide administration or other services for their plans. Therefore, in order to ensure that these associations are properly assessed and submit payment of the required annual 1% premium tax we request that no later than March 1 of each calendar year, beginning March 1, 2015, your organization submit to us a list of any and all associations or business leagues offering coverage under the provisions of K.S.A. 40-2222 that have contracted with you for services related to the creation or administration of their health plans. This list should include the official name of the association or business league, the primary contact person for the entity, and the mailing address and phone number for the association and contact person.

The Department expects health insurers and third party administrators to take appropriate steps to ensure compliance with the reporting procedures prescribed in this Bulletin and to provide the information necessary to assist the Department in complying with the provisions of K.S.A. 40-2222.

Questions about the requirements stated in this Bulletin should be addressed to Julie Holmes, Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas 66612, by phone at 785-296-6410, or via email at [jholmes@ksinsurance.org](mailto:jholmes@ksinsurance.org).