

**Kansas Administrative Regulations**  
**Agency 40. Insurance Department**  
**Article 1. General**

**K.A.R. 40-1-50. Insurance scoring; definitions; requirements.** (a) As used in this regulation and K.S.A. 40-5101 through K.S.A. 40-5114 and amendments thereto, these terms shall have the following meanings:

(1) “Farmowner insurance policy” means a policy that provides coverage for a dwelling and its contents, barns, stables, and other buildings. This term shall include liability coverage.

(2) “Insurer” means an insurance company.

(3) “Policy” means any personal insurance or individual farmowner insurance policy.

(4) “Premium charge” means the payment required for an insurance policy as determined by rates and rating factors.

(5) “Rerate” means to calculate premiums based on rates, rating factors, or rating procedures filed with the Kansas insurance department as required by K.S.A. 40-951 through K.S.A. 40-967 and amendments thereto.

(6) “Reunderwrite” means to reexamine insurance risks to determine whether or not to renew policies.

(7) “Third party” means any person or entity that creates an insurance score.

(8) “Underwriting” means examining, accepting, or rejecting insurance risks.

(b) No insurer authorized to write business in the state of Kansas shall use credit information or an insurance score that has an adverse premium or coverage impact on an insured, unless all of the following conditions are met:

(1) The insurer has considered applicable factors other than credit.

(2) The insurer has documented the factors considered.

(3) The insurer provides the insured with each reason for the change in the premium or coverage.

(c) Each insurer using credit information for the purpose of rating shall have specific, written criteria governing how credit information is utilized by the insurer in underwriting, tier placement, and insurance scoring.

(d) If an insurer takes an adverse action against a consumer, the insurer shall perform the following:

(1) Maintain evidence of the notice to the consumer and a record of the contents of the credit information used, for a minimum of five years after the adverse action was taken;

(2) provide to the consumer a written, electronic, or oral notice and an explanation. If an oral notice is given, the notice shall be followed by a written or electronic notice and an explanation to the consumer pursuant to K.S.A. 40-5107, and amendments thereto; and

(3) provide underwriting guidelines to the department upon request. All underwriting guidelines shall be considered trade secrets and confidential under the Kansas open records act.

(e) Any insurer may require that a consumer provide documentation to establish the existence and duration of personal circumstances justifying that certain adverse credit information not be used. (Authorized by K.S.A. 40-103 and K.S.A. 2003 Supp. 40-5113; implementing K.S.A. 40-222(a) and K.S.A. 2003 Supp. 40-5102, K.S.A. 2003 Supp. 40-5104, K.S.A. 2003 Supp. 40-5107, K.S.A. 2003 Supp. 40-5108, K.S.A. 2003 Supp. 40-5112, and K.S.A. 2003 Supp. 40-5113; effective T- February 19, 2004; P- July 2, 2004.