

**Kansas Administrative Regulations
Agency 40. Insurance Department
Article 3. Fire and Casualty Insurance**

K.A.R. 40-3-56. Controlled insurance programs. Each controlled insurance program providing coverage for general liability or workers compensation, or both, shall meet the following requirements:

(a) Establish a method for the quarterly reporting of the participant's respective claims details and loss information to that participant;

(b) provide that cancellation of any or all of the coverage provided to a participant before completion of work on the applicable project shall require the owner or contractor who establishes a controlled insurance program to either replace the insurance or pay the subcontractor's cost to do so;

(c) not charge enrolled participants who are not the sponsoring participants a deductible in excess of \$2,500 per occurrence or a per claim assessment by the sponsor;

(d) keep self-insured retentions fully funded or collateralized by the owner or contractor establishing the controlled insurance program, except that this subsection shall not apply to deductible programs;

(e) disclose specific requirements for safety or equipment before accepting bids from contractors and subcontractors on a construction project; and

(f) allow monetary fines for alleged safety violations to be assessed only by government agencies. (Authorized by K.S.A. 40-103 and 2009 HB 2214, sec. 3; implementing 2009 HB 2214, sec. 3; effective October 30, 2009.)