

**Kansas Administrative Regulations
Agency 40. Insurance Department
Article 4. Accident and Health Insurance**

40-4-2 Accident and sickness insurance policies; franchise plan; requirements.

(a) Forms for accident and sickness insurance policies shall be approved for writing on a franchise plan when:

(1) Accident and sickness insurance on a franchise plan may be issued to:

(A) Three or more employees of any corporation, co-partnership, or individual employer, or any governmental corporation, agency or department; or

(B) 10 or more members of any trade or professional association, a labor union, or any other association that has been in active existence for at least two years when the association or union has a constitution or bylaws and is formed in good faith for purposes other than that of obtaining insurance; and

(2) Each person, with or without their dependents, will be issued the same individual policy form varying only as to amounts and kinds of coverage applied for, under an arrangement whereby the premiums on the policies may be paid to the insurer periodically by:

(A) The employer, with or without payroll deductions;

(B) the association for its members; or

(C) some designated person on behalf of the employer or association.

(b) The term ``employees" includes the officers, managers, employees and retired employees of the employer and the individual proprietor or partners if the employer is an individual proprietor or partnership.

(Authorized by K.S.A. 40-103, K.S.A. 1992 Supp. 40-2203(G); implementing K.S.A. 1992 Supp. 40-2215; effective Jan. 1, 1966; amended May 1, 1986; amended Nov. 29, 1993.)