

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

40-4-23 Accident and sickness insurance; deceptive practices; requirements; prohibitions.

(a) Paragraphs (3), (4) and (5) of subsection (b) shall not apply to credit accident and sickness insurance, group accident and sickness insurance, nor to medicare supplement policies as defined in K.A.R. 40-4-35.

(b) Each authorized issuer of accident and sickness insurance contracts and each authorized insurance agent who solicits, negotiates or procures such insurance within this state shall meet the following requirements:

(1) Each agent shall, at the beginning of any solicitation, inform the prospective purchaser that he or she is acting as an insurance agent.

(2) The prospective purchaser shall be informed of the insurer's full name.

(3) The agent or insurer shall provide to the prospective purchaser before or with the delivery of a contract, a dated outline of coverage describing the elements of the contract including:

(A) The name and signature of the insurance agent, or if no agent is involved, the name of the employee of the insurer who assumes responsibility for completing the outline;

(B) the full name of the company writing the accident and sickness insurance;

(C) a statement identifying the applicable category or categories of coverage provided by the policy or contract and any supplemental riders as prescribed in K.S.A. 40-2218(a);

(D) a statement disclosing any provision in the policy or any supplemental riders which will reduce the benefits payable while the policy and riders are maintained in force on a premium-paying basis;

(E) the premiums for the accident and sickness insurance policy and a separate listing of the premiums for each optional or supplemental benefit provided by the contract;

(F) a statement disclosing the provisions of the policy and any supplemental riders relating to renewability, cancelability and termination and any modification of benefits, losses covered or premiums because of age or for other reasons. The description shall be written in a manner which will not minimize or render obscure the qualifying conditions;

(G) a statement disclosing those exceptions, reductions and limitations affecting the basic provisions of the policy and any supplemental riders;

(H) a statement disclosing the existence of any waiting, elimination, probationary or similar time period between the effective date of the policy and effective date of coverage under the policy and any supplemental riders, or a period of time between the date that loss occurs and the date the benefits begin to accrue for the loss;

(I) a statement disclosing the extent to which any loss is not covered under the policy and any supplemental riders, if the cause of the loss is traceable to a condition existing before the effective date of the policy or rider;

(J) a statement disclosing all the principal benefits provided by the policy or contract and any supplemental riders;

(K) a statement that the outline of coverage is a summary of the policy or contract and any supplemental riders issued or applied for and that the policy or contract and any supplemental riders should be consulted to determine governing contractual provisions; and

(L) if the policy or contract and any supplemental riders do not provide the standards for benefits promulgated by the commissioner, as provided in K.A.R. 40-4-24 through 40-4-33, a statement which clearly sets forth the policy restrictions.

(4) The outline of coverage shall accompany the policy. Alternatively, the outline may be delivered to the prospective purchaser at the time application is made, if an acknowledgment of receipt or certificate of delivery of the outline is obtained with the application. If an outline of coverage was delivered at the time of application, and the policy or contract is issued on a basis which would require revision of the outline, a substitute outline of coverage properly describing the policy or contract and any supplemental riders shall accompany the policy or contract and any supplemental riders when it is delivered. The substitute outline shall state clearly that the policy or contract and any supplemental riders are not the same as that for which application was made.

(5) The outline of coverage may consist of a separate written presentation or the outline may be included in the solicitation material advertising the policy. All information required to be disclosed shall be set out prominently in an uninterrupted sequence in one location in the separate, written presentation or advertising material. Additional material, other than that required, shall not be inserted between each required disclosure item. The style, arrangement and overall appearance of the outline of coverage shall not give any undue prominence to any portion of the text. Each printed portion of the text of the outline of coverage shall be plainly printed in lightfaced type of a style in general use. The size of the type shall be uniform and shall not be less than tenpoint with a lowercase, unspaced alphabet length not less than 120 point.

(c) Unfair or deceptive acts or practices in the selling of the insurance subject to this regulation shall include:

(1) Making any misrepresentation or false, deceptive or misleading statement;

(2) using comparisons or analogies or manipulating amounts and numbers in a way that will mislead the prospective purchaser concerning the cost of the insurance protection to be provided by the insurance contract, or any other significant aspect of the contract;

(3) referring to an insurance premium as a deposit, an investment, a savings, or using other similar phrases when referring to an insurance premium; and

(4) Recommending to a prospective purchaser the purchase or replacement of any accident and sickness insurance policy or contract with reasonable grounds to believe that the

recommendation is unsuitable for the applicant on the basis of any information furnished by the person or otherwise obtained.

(Authorized by K.S.A. 40-103, 40-2404a; implementing K.S.A. 40-2219, 40-2221; effective May 1, 1975; amended Feb. 15, 1977; amended May 1, 1979; amended May 1, 1982; amended May 1, 1986.)