

Kansas Administrative Regulations
Agency 40. Insurance Department
Article 8. Excess Coverage

40-8-2 Excess line insurance; refusal of admitted carriers; rate differentials; artificial divisions of coverage; portions of risk unacceptable.

Risks which may be written but are declined by admitted insurers may be placed with non-admitted insurers in accordance with K.S.A. 40-246b subject to the following conditions:

(a) When the coverage sought would be acceptable as a single contract to admitted insurers, artificial divisions of coverage into two or more proposed contracts shall be prohibited for the purpose of:

- (1) Rendering a portion of the coverage unacceptable to admitted companies; or
- (2) obtaining a rate advantage upon the entire risk.

(b) With prior approval of the commissioner, a risk involving a single class of coverage may be placed with a non-admitted insurer if a portion of the risk is unacceptable to admitted insurers and the non-admitted insurer will not write the unacceptable portion separately.

(c) A risk shall not be placed with a non-admitted insurer if the risk includes a combination of classes of insurance that may be procured from separate admitted insurers under separate contracts.

(d) A risk shall not be placed with a non-admitted insurer if the risk includes a combination of classes of insurance that a single admitted insurer is prohibited from writing in either a single contract or in separate contracts, or both. In these cases, separate forms of contracts, each incorporating a class or a lawful combination of classes, shall be offered to and refused by admitted insurers for each class or combination of classes, before the insurance can be placed with non-admitted insurers.

(Authorized by K.S.A. 40-103; implementing K.S.A. 1984 Supp. 40-246b; effective Jan. 1, 1966; amended May 1, 1979; amended May 1, 1983; amended May 1, 1986.)