

## 2023 Kansas Statutes

**40-3805. Regulation and registration of administrators; maintenance of information; confidentiality of examination, audit and inspection documents and information.** (a) Every administrator shall maintain and make available to the payor complete books and records of all transactions performed on behalf of the payor. Such books and records shall be maintained in accordance with prudent standards of insurance record keeping and shall be maintained for a period of not less than five years from the date of their creation.

(b) The commissioner of insurance shall have access to such books and records for the purposes of examination, audit and inspection. Any documents, materials or other information in the possession or control of the commissioner that are furnished by a TPA, payor, insurance producer or an employee or agent thereof acting on behalf of the TPA, payor or insurance producer or obtained in an investigation, shall be confidential by law and privileged, shall not be subject to the open records act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. The commissioner is authorized to use such documents, materials or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties.

(c) Neither the commissioner nor any person who receives documents, materials or other information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning confidential documents, materials or information subject to subsection (b).

(d) In order to assist in the performance of the commissioner's duties, the commissioner may:

(1) Share documents, materials or other information, including the confidential and privileged documents, materials or other information subject to this section, with other state, federal and international regulatory agencies, the NAIC, its affiliates or subsidiaries and with state, federal and international law enforcement authorities, provided the recipient agrees to maintain the confidentiality and privileged status of the document, material or other information; and

(2) may receive documents, materials or information, including otherwise confidential and privileged documents, materials or information, from the NAIC, its affiliates or subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material or information.

(e) No waiver of any applicable privilege or claim of confidentiality in the documents, materials or information shall occur as a result of disclosure to the commissioner under this section.

(f) Nothing in this section shall prohibit the commissioner from releasing final, adjudicated actions, including for cause terminations that are open to public inspection pursuant to the open records act, to a database or other clearinghouse service maintained by the NAIC, its affiliates or subsidiaries.

(g) The payor shall own the records generated by the administrator pertaining to the payor, however, the administrator shall retain the right to continuing access to books and records to permit the administrator to fulfill all of its contractual obligations to insured parties, claimants and the payor, and its obligations to maintain records available to the commissioner.

(h) In the event the payor and the administrator cancel their agreement, notwithstanding the provisions of subsection (a), the administrator may, by written agreement with the payor, transfer all records to a new administrator rather than retain them for five years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of the prior administrator as required in subsection (a).

**History:** L. 1978, ch. 174, § 4; L. 2005, ch. 67, § 1; L. 2017, ch. 2, § 10; L. 2022, ch. 62, § 5; July 1.