

Kansas Administrative Regulations

Kansas Department of Insurance

Article 1.—General

40-1-1. Officers, directors, trustees; financial interest in sale or loan by company; prohibited.

(a) Except as permitted by K.S.A. 1984 Supp. 40-2a13 and 40-2b10 respectively, an officer, director, or trustee of an insurance company, association, or society doing business in this state shall not:

(1) receive any money or valuable item for negotiating, soliciting, procuring, recommending, or aiding in the purchase or sale of property by the company, association, or society;

(2) receive a loan from the company, association, or society; or

(3) have a financial interest as principal, co-principal, agent, or beneficiary in a purchase, sale or loan prohibited by subsections (a)(1) and (a)(2).

(b) An appraisal of the property shall be made prior to purchase or sale of real estate to or from an officer, director or trustee of any insurance company, association or society doing business in this state by an insurance company, association or society. A true copy of the appraisal shall be provided to the commissioner upon request.

(c) A company, association, or society doing business in this state shall not make any loan, other than a policy loan, to an officer, director, trustee or other person having authority in the management of its funds.

(d) This regulation shall not apply to loans permitted by K.S.A. 1984 Supp. 40-2a12 and 40-2b09.

(Authorized by K.S.A. 40-103, 40-205; implementing K.S.A. 40-222, 40-225; effective Jan. 1, 1966; amended Jan. 1, 1969; amended May 1, 1979; amended May 1, 1983; amended May 1, 1984; amended May 1, 1986.)