



KANSAS AUTOMOBILE ASSIGNED CLAIMS PLAN

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**2704 NW TOPEKA BLVD., SUITE B
P.O. BOX 8789
TOPEKA, KS 66608
PHONE: 785-273-6300
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FORWARD

This publication is for use by insurers and self-insurers who are members of the Kansas Automobile Assigned Claims Plan. It is not the purpose of any statement in this publication to interpret the application of benefits in any individual case.

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KANSAS AUTOMOBILE ASSIGNED CLAIMS PLAN

The Kansas No-Fault Automobile Insurance Law effective January 1, 1974 provides for the establishment and operation of the Kansas Automobile Assigned Claims Plan. This portion of the law, drafted by an all-industry committee, was implemented by then Insurance Commissioner Fletcher Bell pursuant to Regulation 40-3-35. The Plan is administered by the Governing Committee of the Kansas Automobile Assigned Claims Plan.

The following actions were taken:

- (1) Kansas Insurance Department Bulletin 1973-21 and the Kansas No-Fault Bulletin No. 6, issued by the Commissioner of Insurance directs insurers and self-insurers to participate in the Plan.
- (2) Three companies with substantial Kansas operations were designed "Servicing Insurers" for the Plan.

Farmers Insurance Company, Inc.
2051 Killebrew Drive STE 100
Bloomington, MN 55425
Telephone: 952-808-5323

Farmers Alliance Mutual Insurance Company
1122 North Main Street
McPherson, KS 67460
Telephone 620-241-2200

Upland Mutual Insurance Company
2220 Lacy Drive
Junction City, KS 66441
Telephone: 785-762-4324

- (3) The Kansas Automobile Insurance Plan administers and provides a physical location for the Plan.
- (4) An operational budget is approved by the Governing Committee on an annual basis during the fall annual meeting. The assessment of insurers and self-insurers are made on the basis of their Private Passenger Non-Fleet Bodily Injury Liability writings in Kansas. For each 1,000 car years written, \$75.00 is assessed with a minimum of \$60.00. Attached is an excerpt from the Kansas No-Fault Law containing the sections applying to the Kansas Automobile Assigned Claims Plan. (Appendix II)

LOCATION AND STAFF

Office space and staff for the program of the plan are provided on a cost basis in the same manner as the Kansas Automobile Insurance Plan.

The mailing address and telephone number of the Plan is as Follows:

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TOPEKA, KANSAS 66617

P.O. BOX 8789

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FAX # 785-273-9065

CLAIMS PROCEDURE

Claims for benefits are filed either in person or by mail to the Kansas Automobile Assigned Claims Plan. (Appendix I)

The Kansas Automobile Assigned Claims Plan reviews each application for benefits to eliminate those obviously ineligible. Eligible claims are assigned to one of three (3) Servicing Insurers by means of a form letter. (Appendix III) The assignment is made in accordance with an Assignment Control Register Number. (Appendix IV)

BUDGET – ASSESSMENT

The budget covers estimated administrative expense, estimated benefit payments, and expenses by the Servicing Insurers.

Insurers and Self-Insurers admitted to write automobile liability in Kansas are assessed on the basis of the latest available Private Passenger Non-Fleet Bodily Injury Liability car year writings in Kansas. There is a minimum fee of \$60.00. Assessments are due January first of each year. Payments are mailed directly to the Kansas Automobile Assigned Claims Plan office within 30 days after receipt of the annual assessment. A \$25.00 late fee will be added to payment made after March 1.

The data for car years written is gathered by the Automobile Insurance Plan Services Office in Johnston, Rhode Island for use through the Kansas Automobile Insurance Plan. Where several companies in a group are writing in Kansas and have indicated such preference, we will send the total assessment for the group to one company – again utilizing the data and mailing list of the Kansas Automobile Insurance Plan.

All budget expenditures are reviewed quarterly by the Governing Committee and audit annually. Annual reports are submitted to the Insurance Commissioner and the subscribing companies. At the Governing Committee's discretion any funds remaining at the end of any calendar year are to be used to reduce the next year's assessment.

ADVISE CLAIMSMEN AND AGENTS

Insurers and self-insurer should inform their Kansas claims personnel and agents of the existence of the Plan and instruct them to refer qualified injured persons to the office of the Plan.

ANNUAL REVIEW OF CLAIMS VOLUME

Assigned claims volume is reviewed by the Governing Committee in the first quarter of each succeeding year. This review ascertains the necessity, if any, for additions, deletions, or substitutions to the membership of the Servicing Insurers.

PERSONS ENTITLED TO BENEFITS

The purpose of the **KANSAS AUTOMOBILE ASSIGNED CLAIMS PLAN** is to provide statutory **PERSONAL INJURY PROTECTION BENEFITS** to any person who suffers injury in this state provided PERSONAL INJURY PROTECTIONS BENEFITS are not available to the injured person. For example, the Plan will provide Personal Injury Protection Benefits to a non-car owning pedestrian who is not otherwise insured and is struck by an uninsured or unidentified motorist in Kansas.

The Plan will not provide benefits for:

1. Injury sustained by the named insured and relatives residing in the same household while occupying another motor vehicle owned by the named insured and not insured under the policy, or for injury sustained by any person operating the insured's motor vehicle without the expressed or implied consent of the insured; and
2. To any person suffering injury, if such person:
 - (a) Caused injury to himself/herself, if such person;
 - (b) Was an intentional converter of a motor vehicle at the time the injury was sustained;
 - (c) Was injured as a result of conduct within the course of a business of repairing, serving or otherwise maintaining motor vehicles, unless such conduct occurred off the business premises; or;
 - (d) Was injured as a result of conduct in the course of loading and unloading a motor vehicle, unless the conduct occurred while occupying, entering into or alighting from such motor vehicle.

KANSAS AUTOMOBILE ASSIGNED CLAIMS PLAN

2704 NW TOPEKA BLVD., SUITE B

PO BOX 8789 66608

TOPEKA, KANSAS 66617

ARTICLES OF AGREEMENT

The purpose of these Articles of Agreement is to form and provide for the operation of the Kansas Automobile Assigned Claims Plan.

ARTICLE I

Name

This organization shall be known as the Kansas Automobile Assigned Claims Plan (Hereinafter referred to as the Plan), an unincorporated nonprofit association.

ARTICLE II

Objective

The objective of the Plan shall be the implementation and administration of KSA 40-3116.

ARTICLE III

Effective Date

These Articles of Agreement were approved by the Commissioner of Insurance effective January 1, 1974.

ARTICLE IV

Office

The principal office of the Plan shall be in the city of Topeka, Kansas.

ARTICLE V

Membership

1. Membership in the Plan shall consist of every Insurer and Self-Insurer authorized to write motor vehicle liability insurance in this state.
2. Termination of Membership. Membership of any Member shall terminate when such Member is no longer licensed to write automobile liability insurance in the state of Kansas. Any Member whose membership in the Plan has been terminated shall, nevertheless, continue to be governed by these Articles of Agreement in order to complete its obligation with regard to any assessments, losses, expenses, obligations, or contracts under the Program.

ARTICLE VI
Administration

The Plan shall be administrated by a Governing Board and a Manager. The Governing Board (hereinafter referred to as the Committee) shall be appointed by the Commissioner of Insurance and shall consist of the following members:

1. Nine (9) who shall be appointed as follows: Three (3) of such Members shall be representatives of foreign insurance companies, two (2) Members shall be representatives of domestic insurance companies, two (2) Members shall be licensed independent insurance agents and two (2) Members representatives of the general public interest. All members shall be appointed for a term specified by the Commissioner of Insurance.

Annually, on a date fixed by the Committee, there shall be held a meeting of representatives of all subscribers for the purpose of receiving reports by the Committee and the Manager regarding the operations of the Plan and for discussion of matters pertaining to the Plan. Twenty days' notice of such meeting shall be give in writing to all Members of the Plan, the Commission of Insurance and Members of the Committee. The notice of each annual meeting shall be accompanied by an agenda for such meeting.

ARTICLE VII
Duties of the Governing Committee

The Committee shall meet at least annually and as often as may be required to perform the general duties of administration of the Plan. Five Members of the Committee shall constitute a quorum of whom three must be Insurers. The Committee shall be empowered to appoint a Manager, budget expenses, levy assessments, disburse funds and perform all duties essential to the proper administration of the Plan. The adoption of, or substantive changes in, pension plans or employee benefit programs shall be subject to approval of companies which are Plan Members.

Annually, the Manager shall prepare an operating budget in the prescribed manner for submission to the Committee. Such budget shall be approved by the Committee and furnished to the member companies upon written request. Any expenditure in excess of or not included in the annual budget, shall be subject to the approval of the Committee. The Committee shall furnish to all Members of the Plan, a written report of operations annually in such form and detail as the Committee may determine. A financial report will be prepared annually for submission to the Commissioner of Insurance for his/her examination and approval.

ARTICLE VIII
Officers and Management

1. Executive Officers. The Governing Committee shall elect from its membership a Chairperson, a Vice-Chairperson, a Secretary-Treasurer.

- A. The Chairperson shall preside over all meetings of this Committee and at all meetings of the Insurers and Self-Insurers which are Members of the Kansas Automobile Assigned Claims Plan. He/she shall discharge such other duties as may be incidental to his/her office or as shall be required of him/her by these rules or by the Governing Committee.
- B. The Vice-Chairperson shall preside at the meetings of the Governing Committee in the absence of the Chairperson. In the event of death, incapacity or disability of the Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson until such office has been filled by the Governing Committee.
- C. The Secretary/ Treasurer or his or her appointed representative shall record minutes of all meetings of the Governing Committee and keep the records of the Governing Committee, and discharge such duties as may be incidental to his or her office or as required by these rules or by the Governing Committee. In addition, in cooperation with the Manager, keep such books of accounts.

ARTICLE IX
Designation of Servicing Insurers

A minimum of three (3) Servicing Insurers shall be designated by the Committee. It will be the responsibility of the designated Servicing Insurers to make adequate provision for the equitable payment of assigned claims. It will be the responsibility of the designated Servicing Insurers to establish adequate internal procedures for the maintenance of statistics that will properly reflect the payments and expenses related to the claims assigned. Such statistics will be provided to the Committee as requested.

ARTICLE X
Assignment of Claims

The Manager of the Plan shall assign claims to the Servicing Insurers in accordance with procedure determined by the Committee, as approved by the Commissioner of Insurance.

ARTICLE XI
Cost of Administration

All cost of administration of the Plan including administrative costs, cost of claims payments, and all related claims expense shall be borne by the Members of the Plan on a pro rata basis. Assessments on all Members shall be made at the discretion of the Committee to meet the cost of administration and to reimburse the Servicing Insurers for their expense of assigned claims payable and related claims expense.

ARTICLE XII

Audits

The Governing Committee shall annually appoint a properly qualified firm to conduct an annual audit of the operations of the Plan, the scope of which shall be determined by the Committee, and to perform such other functions as may be directed by the Committee. Members of the Plan shall, at all reasonable times, make books and records available to the Committee or its representatives for the purpose of reviewing any matter coming within the scope of these Articles of Agreement.

ARTICLE XIII

Indemnification

Each person serving on the Committee or any subcommittee thereof, each Member of the Plan, and each officer and employee of the Plan shall be indemnified by the Plan against all costs and expenses actually and necessarily incurred by him/her or it in connection with the defense of any action, suit or proceeding in which he/she or it is made a party by reason of his/her or its being or having been a Member of the Committee, or a Member or officer or employee of the Plan except in relation to matters as to which he/she or it has been judged in such action, suit, or proceeding to be liable by reason of misconduct in the performance of his/her or its duties as a member of such Committee or Member or officer or employee of the Plan, indemnification hereunder shall not be exclusive of the rights to which such Member or officer may be entitled as a matter of law.

ARTICLE XIV

Insolvency

In the event any Member fails, by reason of insolvency, to pay its proportion of any expense or of any loss incurred by the Plan under the Program, such unpaid loss or expense shall be paid by the remaining Members, each contributing on a pro rata basis, deleting therefrom the proportion of defaulting Members. The Plan shall be subrogated to the rights of the remaining Members in any liquidation proceedings and shall have full authority on their behalf to exercise such rights in any action or proceeding.

ARTICLE XV

Legal Action

Legal action may be maintained by or against the Plan.

ARTICLE XVI

Citation to Commissioner

Failure of any Member to comply with these Articles of Agreement or with any rules prescribed thereunder by the Committee or to pay any assessment levied within 30 days of notice thereof, shall be grounds for citation of such Member to the Commissioner of Insurance.

ARTICLE XVII
Right of Appeal

Any person or Member aggrieved by any ruling, order, decision, action, or refusal to act on the part of the Plan may appeal to the Committee.

The Committee shall promptly notify the person or Member as to the ruling on the appeal. In the case of refusal to sustain the appeal the refusal shall include notice of the right of appeal to the Commissioner of Insurance.

ARTICLE XVIII
Amendments

These Articles of Agreement may be amended by the membership with the approval of the Commissioner of Insurance.

(Appendix VI)

VII – PLAN OF OPERATIONS

A. LOCATION

The Kansas Automobile Assigned Claims Plan shall be located in Topeka, Kansas. Presently the Kansas Automobile Assigned Claims Plan is located at 2704 NW Topeka Blvd., Suite B, Topeka, Kansas 66617.

B. SERVICING INSURERS

Farmers Insurance Company, Inc.
2051 Killebrew Drive STE 100
Bloomington, MN 55425
Telephone: 952-808-5323

Farmers Alliance Mutual Insurance Company
1122 North Main Street
McPherson, KS 67460
Telephone 620-241-2200

Upland Mutual Insurance Company
2220 Lacy Drive
Junction City, KS 66441
Telephone: 785-762-4324

C. ASSESSMENTS

Assessments shall be levied on an equitable basis with the amounts being determined by the premium written during the latest available year or by the number of car years exposure on the latest available years.

Assessments may be made upon the requirements of the Plan either actual or projected. Each company including self-insurers shall be advised of the amount of the assessments and the method by which the amount was determined.

The minimum annual assessment to each Subscriber shall be \$60.00 and if it is not received by the specified date a \$25.00 late fee will be assessed in addition.

D. CLAIMS PROCEDURES

Claims are to be reported to the Kansas Automobile Assigned Claims Plan in Topeka, Kansas. There the Plan will properly register the claim and promptly assign it to one of the Servicing Insurers.

The Servicing Insurer will handle all claims to a conclusion. The Servicing Insurer will advise the Kansas Automobile Assigned Claims Plan office of the total claims and allocated expense in connection with each claim and the Plan will reimburse the Servicing Insurer.

At least annually there will be an audit of a representative number of claims to assure that prompt and proper payment is being made. The audit will be made by persons not connected with the Servicing Insurer.

The Plan will maintain adequate records and registers on each claim reported to the Plan.

E. PLAN CHANGES

Changes in this Plan of Operation may be made from time to time with the approval of the Commissioner of Insurance.

(Appendix VII)