

SENATE BILL No. 512

By Committee on Federal and State Affairs

2-14

1 AN ACT concerning insurance; relating to insurance companies;
2 prohibiting companies from utilizing environmental, social and
3 governance criteria in the process of writing contracts of insurance,
4 indemnity or suretyship; authorizing the attorney general or the county
5 attorney or district attorney where a violation occurred to enforce such
6 prohibition; providing a civil penalty for violations thereof.
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8 *Be it enacted by the Legislature of the State of Kansas:*

9 Section 1. (a) For the purposes of this section:

10 (1) "Company" means any organization, association, corporation,
11 partnership, joint venture, limited partnership, limited liability partnership,
12 limited liability company or other entity of business association, including
13 a wholly owned subsidiary, majority-owned subsidiary, parent company or
14 affiliate of such entities or business associations that exists for the purpose
15 of making a profit. "Company" does not mean a sole proprietorship.

16 (2) "Insurance company" means any corporation, company,
17 association, society, person or partnership writing contracts of insurance,
18 indemnity or suretyship upon any type of risk or loss. "Insurance
19 company" does not include fraternal benefit societies as defined in K.S.A.
20 40-738, and amendments thereto, hospitals or hospital associations that
21 have been in operation for not less than 10 years as of July 1, 2024.

22 (3) "Environmental, social and governance criteria" means any
23 criterion that gives preferential treatment or discriminates based on
24 whether a company meets or fails to meet one or more of the following
25 criteria:

26 (A) Engaging in the exploration, production, utilization,
27 transportation, sale or manufacturing of:

- 28 (i) Fossil fuel-based energy;
- 29 (ii) nuclear energy; or
- 30 (iii) any other natural resource;

31 (B) engaging in the production of agriculture;

32 (C) engaging in the production of lumber;

33 (D) engaging in mining;

34 (E) emitting greenhouse gases or not disclosing or offsetting such
35 greenhouse gas emissions;

36 (F) engaging in the manufacturing, distribution or sale of firearms,

1 firearms accessories, ammunition or ammunition components;

2 (G) having a governing corporate board or other officers whose race,
3 ethnicity, sex or sexual orientation meets or does not meet any criteria;

4 (H) facilitating or assisting or not facilitating or assisting employees
5 in obtaining abortions or gender reassignment services; and

6 (I) doing business with any company described by subparagraphs (A)
7 through (H).

8 (4) "Person" means an individual, unincorporated association or sole
9 proprietorship.

10 (b) An insurance company shall not use environmental, social and
11 governance criteria to give preferential treatment to or to discriminate
12 against a company or person as it relates to the availability and costs of
13 contracts of insurance, indemnity or suretyship.

14 (c) The attorney general or the county attorney or district attorney
15 where a violation has occurred may enforce the provisions of this section.

16 (d) If the attorney general or the county attorney or district attorney
17 has reasonable cause to believe that a person has engaged in, is engaging
18 in or is about to engage in a violation of this section, the attorney general
19 or the county attorney or district attorney may require:

20 (1) Such person to file on such forms as the attorney general or the
21 county attorney or district attorney may prescribe a statement or report in
22 writing, under oath, as to all the facts and circumstances concerning the
23 violation; and

24 (2) the filing of such other data and information as the attorney
25 general or the county attorney or district attorney may deem necessary.

26 (e) The attorney general or the county attorney or district attorney
27 shall have the authority to further investigate violations of this section.

28 (f) Any insurance company found to have intentionally violated the
29 provisions of this section shall be subject to a civil penalty of not more
30 than \$10,000 per violation.

31 (g) Any insurance company aggrieved by a finding of a violation of
32 this section may appeal such finding to the district court in the manner
33 provided by the Kansas judicial review act.

34 (h) All civil penalties recovered pursuant to the provisions of this
35 section shall be remitted to the state treasurer in accordance with the
36 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
37 each such remittance, the state treasurer shall deposit the entire amount in
38 the state treasury to the credit of the state general fund.

39 Sec. 2. This act shall take effect and be in force from and after its
40 publication in the statute book.