

THE FUND

SOURCE AND DISTRIBUTION OF THE FUND

To establish the Firefighters Relief Fund, a tax of 2 percent of premiums on all fire and lightning insurance written in Kansas is assessed on all companies licensed to write this insurance. The procedure for obtaining and distributing this tax is as follows:

- (A) The insurance companies submit a Firefighters Relief Fund tax premiums on all fire and lightning insurance written in Kansas and is assessed on all companies licensed to write this insurance.

The procedure for obtaining and distributing this tax is as follows:

- (A) The insurance companies submit a Firefighters Relief Fund tax statement to the Insurance Commissioner wherein they report the exact amount of fire and lightning premiums written in this state during the past year.
- (B) The Commissioner of Insurance
 - (1) Collects the tax from the companies,
 - (2) Deducts 3 percent from the total tax collected and pays this amount to the Kansas State Firefighters Association, Inc., for fire prevention and fire extinguishment education and study.
 - (3) Deducts 5 percent from the total tax collected and pays this amount to the Kansas State Firefighters Association, Inc., to be set aside as a death benefit fund. This amount, however, may not be more than the lesser of \$100,000 or the result obtained by subtracting the balance in the death benefit fund on July 1 from \$100,000.
 - (4) Deducts an amount equal to the administrative expense that has been approved by the legislature for the Insurance Department's administration of the fund.
 - (5) Distributes the remainder of the tax to the participating Firefighters Relief Associations as long as they submit proper annual reports to the commissioner.
 - (a) Each qualifying Firefighters Relief Association receives a base amount of \$1,000.
 - (b) The remaining balance of the fund is distributed to those associations which participated in the tax collected in 1983, and distributed in 1984. Those associations receive an amount equal to the percentage of the total they received in 1984. Those associations that did not participate in the 1984 distribution receive an amount calculated on a formula using the population and assessed tangible property valuation figures furnished this office by those nonreceiving associations. (c) The distribution of this tax is made on August 1 of each year.

WHAT BENEFIT DOES THE FUND PROVIDE?

The Firefighters Relief Fund provides the following benefits for the members of participating fire departments:

1. Payments for the relief of those injured or physically disabled in or by reason of the discharge of their duties as firefighters.
2. Payment of gratuities to the surviving spouse or those dependent upon such firefighter who:
 - (a) Is killed in the discharge of their duties as a firefighters
 - (b) Dies from the effects of injuries received in the discharge of their duties as a firefighters
 - (c) Dies from the effect of diseases contracted by reason of their duties as a firefighters
3. Payment of funeral expenses for firefighters who die:

- (a) In the discharge of their duties as firefighters.
 - (b) From injuries received in the discharge of their duties as firefighters.
 - (c) From disease contracted while discharging their duties as firefighters.
4. Purchase of group term, group permanent or individual permanent life insurance to provide for any of the foregoing purposes.
 5. Purchase of accident or accident and health insurance for the benefit of members of the fire department who are injured in the discharge of their duties as firefighters.
 6. Payment of pensions to members of full-paid fire departments who are unfit for service after having served at least 20 years on such department.
 7. Establish an annuity for members of a fire department consisting of volunteer firefighters who have served for not less than 20 years with such fire department and who attended and fought not less than 75% of the fires which were attended and equipment.

WHO MAY PARTICIPATE IN THE FUND?

Members of any qualified fire department may participate in distribution of the Firefighters Relief Fund.

K.S.A. 40-1701 defines association as follows:

"Firefighters relief association" or "firemen's relief association" means an association incorporated under the laws of this state composed of members of a fire department which is (1) a public fire department under the control of the governing body of an incorporated city, township, county or fire district or (2) a private fire department operated by a not-for-profit corporation which provides all of the fire protection services for an incorporated city, township, county or fire district pursuant to a contract with the governing body thereof, and which in either case has fire apparatus and necessary equipment therefor that is in serviceable condition for fire duty and has a value of \$5,000 or more.

In addition, each firefighters relief association shall prepare and file with the commissioner a plat drawn to scale showing the area provided fire protection service by the fire department of the firefighters relief association and the location of each fire department house. No such plan shall include any part of any area served by another fire department.

HOW IS A FIREFIGHTERS RELIEF ASSOCIATION FORMED?

- (a) Members of a fire department who desire to participate in the distribution of firefighter's relief funds shall:
 - (1) Apply for a charter and incorporation as a not-for-profit corporation;
 - (2) file with the commissioner of insurance a certified copy of the articles of incorporation of the firefighter's relief association; and
 - (3) file with the commissioner of insurance evidence of establishment of a fire district within a township or county in accordance with applicable Kansas statutes. This requirement shall not apply to fire departments under the exclusive control of the governing body of an incorporated city.
- (b) When the members of a city, township, county, or fire district fire department notify the commissioner of insurance of their desire to participate in the firefighter's relief fund tax and have otherwise qualified for participation, the proper officials shall complete a declaration form, provided by the commissioner, which declares their right to participate in the firefighter's relief

fund. The completed form shall be returned to the commissioner. The declaration form shall be executed by the chief executive officer of the city, township, county, or fire district. The clerk of the city, township or county, or the equivalent official of the fire district shall attest to the execution of the form.

- (c) A declaration form shall be filed annually with the commissioner of insurance.
- (d) Qualified firefighter's relief associations shall submit, for newly established associations and for associations requesting redetermination hearings, on forms provided by the commissioner, a certification by the county clerk, of the population and assessed tangible property valuation of the geographic area provided for protection services by the fire department of the association. The population figure shall be computed using the most recent population figures available from the United States bureau of the census as certified to the secretary of state by the division of the budget on July 1 of each year. The assessed tangible property valuation figure provided on the form shall be computed using the tangible assessed valuation as shown on the latest November 1 assessment roll prepared and maintained by the county clerk.
- (e) Each firefighter's relief association shall adopt bylaws to cover all activities of the association and shall set forth the procedures for disbursing funds for the payment of benefits provided by the association. A copy of the bylaws and the procedures shall be filed with the commissioner.
- (f) The Insurance Department will then:
 - 1. Check the documents submitted and forward the Articles of Incorporation and your check for \$27.50 made payable to the Secretary of State to cover the cost of the charter to the Secretary of State for approval and filing.
 - 2. Notify the local fire department when the Charter is granted and certify the Association for participation.

WHAT ARE PERMISSIBLE INVESTMENTS OF FIREFIGHTERS RELIEF FUNDS?

The officers of a firefighters relief association may invest any amount, not to exceed 90% of all such moneys:

- (a) In investments authorized by K.S.A. 12-1675 and amendments thereto in the manner prescribed therein.
- (b) In purchasing bonds of the city, township, county or fire district in which such firefighters relief association is located.

When such investments are not obtainable:

- (c) United States government bonds may be purchased.
- (d) Municipal bonds or other obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same may be purchased.

Such investment shall be approved by the governing body of such city, township, county or fire district.

WHAT ARE PERMISSIBLE DISBURSEMENTS OF FIREFIGHTERS RELIEF FUNDS?

1. Payment of benefits to a member physically disabled in or by reason of the discharge of their duties as a firefighters
2. Payment of gratuities to the surviving spouse or dependents of a member who is killed in the discharge of their duties as a firefighters or who dies from injuries received or disease contracted by reason of their duties as a firefighters
3. Payment of funeral expenses of a member killed in the discharge of their duties as a firefighters or by reason of injuries received or disease contracted therefrom.
4. Purchase of insurance which will provide for any of the foregoing benefits as set forth in Section 40-1707 of the Firefighters Relief Act and the applicable rules and regulations 40-10-5 and 40-10-6 which govern the purchase of insurance coverage.
5. Payment of pensions to members of full-paid fire departments who are unfit for service after having served for a period of not less than 20 years on the department. Such pensions cannot exceed one-half of the monthly salary at the date of retirement.
6. In any fire department consisting of volunteer firefighters, such moneys may be used to establish an annuity for each firefighter who served for not less than 20 years with such fire department and who attended and fought not less than 75% of the fires which were attended by such fire department during such period of time and which the firefighter was available to attend, as verified by the governing body of such fire department, but such annuity shall not exceed the amount paid to fully paid members of fire departments of comparable size to such volunteer department.
7. Firefighters Relief Funds may not be expended for any purpose not enumerated above.
 - (a) Specifically the fund may not be used for:
 - (1) Expenses of members attending conventions.
 - (2) Donations to cities, townships, counties or fire districts.
 - (3) Dues to the Kansas State Firefighters Association, Inc.
 - (4) Purchase or cleaning of clothing.
 - (5) Banquets, luncheons, dances, etc.
 - (6) Capital expenditures.
 - (b) The use of funds for any purpose contrary to the provisions of the Firefighters Relief Act will subject the Association to loss of any further distribution of receipts from the Firefighters Relief tax until restitution is made.
 - (1) Misuse of Association funds must be reported by the Insurance Commissioner to the County Attorney of the County wherein the Association is located.
 - (2) It is the duty of the County Attorney to institute proceedings for recovery of the misused funds.
 - (3) Distribution can be made again only when the County Attorney notifies the Commissioner of Insurance that the condition of the Association has been corrected.

REPORTS TO BE MADE AND MISCELLANEOUS REQUIREMENTS

- (1) Two financial statement forms will be sent to the Firefighters Relief Association treasurer, one to be returned to the insurance commissioner and the other to be kept as a record by the treasurer. This report must be returned on or before April 1. It must be a verified account showing in full receipts and disbursements and general condition of the Firefighters Relief tax funds received by the association for the year ending on the preceding December 31. Interest from bank balance must be itemized under income. Only funds received from the insurance commissioner, and interest received from such funds shall be included in such report. Assets transferred from one type of

security to another must not be shown under income and disbursements. Disbursements must be fully itemized in detail. Assets at the end of the period after disbursements have been deducted must balance.

- (2) Annual declaration blanks are sent to the mayor, township trustee, chairman of the Board of County Commissioners, as the case may be, who must return one fully executed copy to the Insurance Commissioner. Such annual declaration to show:
 - (a) Firefighting equipment owned which must be of a value of \$5,000 or more;
 - (b) Whether department is a full-paid or a volunteer department; and
 - (c) The number of volunteer and paid (salaried) firefighters.
 - (d) The name of the treasurer of the Firefighters Relief Association.It is necessary for the Insurance Commissioner to receive this declaration before such city, township, county or fire district can be listed as qualifying to participate in the Firefighters Relief Tax for the succeeding year.
- (3) Supplementary Report which shows the names of the Firefighters, volunteer or full paid, kinds of insurance, total premium, amount paid by association, amount paid by firefighters beneficiary and is policy coverage limited to fire duties.
- (4) Firefighters Relief Fund Investment Report which shows type of investment, amount of investment and institution.
- (5) Form A which indicates a change in the office of Firefighters Relief Association Treasurer.
- (6) Certification of Population and Assessed tangible property valuation form which is sent to the county clerk for completion.

QUESTIONS AND ANSWERS REGARDING FIREFIGHTERS RELIEF ASSOCIATION AND FIREFIGHTERS RELIEF ACT

1. Q. What is the Firefighters Relief Fund Tax?
A. It is a tax of 2% assessed against the fire and lightning premium written by an insurance company on Kansas risks.
2. Q. How is the Firefighters Relief Tax paid?
A. The tax is paid by the insurance companies. The Insurance Commissioner collects the tax annually from the insurance companies and distributes the tax to each individual Firefighters Relief Association.
3. Q. Does a Firefighters Relief Association have a charter?
A. Yes. The Firefighters Relief Act requires that the association must be incorporated under the laws of this state.
4. Q. What are some of the ways in which the funds of an association can be spent?
A.
 - (a) Group term, group permanent or individual permanent life insurance contracts.
 - (b) Insurance providing 24-hour coverage or on-duty coverage.
 - (c) Payments to a member Firefighter who is injured or physically disabled in or by reason of the discharge of their duties as a firefighters
 - (d) Payments of gratuities to the surviving spouse or dependents of a member who is killed in the discharge of their duties as a Firefighter, or who dies from injuries received or disease contracted by reason of their duties as a Firefighter.

- (e) Payment of funeral expenses for a member killed in the discharge of their duties as a Firefighter, or by reason of injuries received or disease contracted therefrom. (Purchase of flowers is not an allowable funeral expense.)
 - (f) Payment of pensions to members of full-paid fire departments who are unfit for service after serving for a period of not less than 20 years. (Such pensions shall not exceed one-half of the total monthly salary at the date of retirement.)
 - (g) Establish annuities for volunteer firefighters.
 - (h) Loan part or all of its funds to its fire department to improve its fire department and equipment.
5. Q. If a Firefighters Relief Association does not receive its distribution check because of an error on the financial statement, does the association lose its money for that year?
- A. No. The money is reserved for the association until such time as the Treasurer of the association submits an acceptable financial statement; however, warrants not redeemed by the State Treasurer within one year of issuance may be canceled at the discretion of the Director of Accounts and Reports in accordance with K.S.A. 10-811. Subsequent to cancellation, however, the payee on a canceled warrant may request payment of the obligation for which the canceled warrant was initially issued. The Director of Accounts and Reports is authorized by K.S.A. 46-921, to make such payment except that the amount to be paid will be the amount denoted on the canceled warrant reduced by the greater of 10% or fifteen dollars (\$15).
6. Q. Should every association have a set of bylaws?
- A. Yes. The Act requires that each association shall adopt bylaws to cover all functions of the association. The duties of each officer in the association should be fully described in the bylaws and the procedure for handling the funds of the association should be outlined therein. A copy of the bylaws must be filed with the Commissioner of Insurance.
7. Q. When can an association buy insurance with its money?
- A. Anytime that the members vote in accordance with their bylaws.
8. Q. What kind of life insurance can be purchased?
- A. Group term, group permanent or individual permanent life insurance contracts may be purchased as set forth in Section 40-1707 of the Firefighters Relief Act. Insurance Department Regulations 40-10-5 and 40-10-6 govern the purchase of life insurance by a Firefighters Relief Association. All insurance policies must comply with the requirements set forth in the rules and regulations.
9. Q. Who is responsible for determining whether an injury or illness is "caused by fire duty"?
- A. The burden of proof is on the association. Matters of this nature should be worked out in association meetings under procedures established in the bylaws. The files of the association should contain documents necessary to establish that every disbursement for injury or illness was justified.
10. Q. Who can receive payment when a firefighter is killed or dies as the result of fire duty?
- A. Payment of a death benefit may be made to the beneficiary or beneficiaries as designated by the member or, in the event that no beneficiary has been designated to receive such death benefit, to the persons established in priority order by Kansas statutes.

11. Q. Are U.S. Government Bonds carried on the financial statement at cost or at market value?
A. All bonds owned by the association should always be carried at cost. when the bonds are sold, the difference is reflected by an entry in the receipts section of the financial statement as "interest received from government bonds".
12. Q. Can an association buy additional firefighting equipment from its funds?
A. No. However, the city, township, county or fire district may borrow from the association in order to purchase additional fire equipment. Such a loan is to be in the form of a warrant which must bear interest payable semi-annually to the association at a rate not to exceed 6%.
13. Q. Can an association invest excess funds in a savings account or N.O.W. account, thus earning more return on its cash?
A. The Insurance Department has no objection to this procedure provided that such money is readily accessible and provided that the attorney for the governing body of the association has made no prior objection.
14. Q. Is the expense of having the association's funds audited a permissible disbursement?
A. Yes. The expense should be itemized as such opposite line 21 of the financial statement.
15. Q. When is it necessary to get an attorney's letter of certification for disbursements?
A. In all cases involving expenditures or payments in an amount of \$1,500 or more prior certification shall be obtained from an attorney designated by the governing body of the city, township, county or fire district that such expenditure or payment complies with the requirements of the firefighters relief act.
16. Q. Are volunteer firefighters who are members of a firefighters relief association covered under Workmen's Compensation?
A. Yes. Unless the firefighters relief association opted out of such coverage, volunteer firefighters are covered under Workmen's Compensation through the city, county, township or fire district that governs the fire department, but only to the extent and during such periods as they are serving in their capacity as firefighters.
17. Q. Can the bond for an association's treasurer be paid for from association funds?
A. Yes. The amount of the bond, which is required by Section 40-1706(g), shall be determined by the association's governing body.
18. Q. Issue: Under K.S.A. 40-1707, may a Firefighters' Relief Association authorize an insurance company to transfer a life insurance policy to another person named by the firefighters upon that firefighters death?
A. Short Answer: No. Upon the death of the firefighters the life insurance contract is fulfilled and there is no remaining interest which may be transferred. Additionally, Kansas Administrative Regulation (K.A.R.) 40-10-5 and 40-10-6 require that; (1) each policy shall be purchased on and held by the Firefighters' Relief Association and, (2) each policy shall name the Firefighter's Relief Association as a beneficiary of the policy.
19. Q. Is it permissible to use FRA funds for Hepatitis shots?
A. No, since the Act only contemplates benefits after the firefighter is injured or physically disabled as a result of duties as a firefighters

We would, however, call your attention to K.S.A. 44-510. This is a section of the Kansas Workers Compensation Act which deals with “ ... preventative medical care and treatment for Hepatitis to which such employees is exposed under circumstances arising out of and in the course of employment.” It is possible, under the provisions of the Kansas Workers Compensation Act, that costs associated with Hepatitis shots and/or treatment could be a compensable claim under this Act. Any questions on this should be directed to the Department of Human Resources, A Division of Workers Compensation, 800 S.W. Jackson, Merchants Bank Tower, 6th Floor, Topeka, Kansas 66612-1227. The phone number is (785) 296-2996.

20. Q. There are some types of accident and/or sickness insurance programs available in Kansas that provides a "cash value" through a surrender value provision. Is it possible to transfer the ownership as well as cash value to a firefighter when that firefighter is no longer a member of our association?
- A. Since there is no provision in the Act for the assignment, transfer, etc., of insurance purchased with FRA funds other than life insurance, the only "value" transferable would be insurability. Any cash value under such accident and/or sickness insurance must be returned to the treasurer upon any firefighters, termination, for any reason, as a member of your association. The issue of transfer of such a policy, other than any cash value, is really one of an agreement between your association and the insurance company issuing the accident and/or sickness policy.

21. Q. Regarding K.S.A. 40-10-6(c), the question is asked whether the portion of premium payable by an individual member of a firefighters, relief association for the cost exceeding "on duty" coverage in a 24-hour coverage plan is to be paid at the time of the policy's inception or at the time of termination. K.A.R. 40-10-6(c) states on relevant part: "When a firefighters relief association purchases 24 hour coverage for its members, each individual member shall pay that portion of the cost (premiums) which is beyond on duty' coverage."
- A. If the member pays his portion at the policy's termination, then the mandate of the regulation has not been met because at some point in time, the individuals position would be paid by the association. This is not what is intended. Coverage beyond "on duty" is a benefit made available, but is to be at the expense of the individual.

Payment by an association of a "lump sum deposit as recognition for past service or to reduce future premiums" is stated to be a common practice. Assuming this to be true, payment of the sum must be considered premium payment, at least for purposes of K.A.R. 40-10-6(c), if such sum reduces premiums. That lump sum payment benefits the individual by reducing the cost of coverage beyond "on duty" coverage. This reduction is in reality a pre-payment of a portion of that for which the individual is responsible.

In summary, the portion of the cost of coverage beyond "on duty" coverage must be paid at the time of inception, not termination, of the policy. Otherwise, the association would be funding that portion of the cost. Such was not the intent of the regulation.

22. Q. Who owns the annuity?
- A. The owner and beneficiary of the annuity policies must be FRA, not the trustee of the FRA.
23. Q. Would a firefighter that was a member of a fire department prior to being drafted into the U.S. military count their years as a department service.
- A. Yes, the firefighters length of military service may be credited as long as the firefighter maintains his or her membership with a particular department.

24. Q. Can associations request other items for expenditures.
- A. Items not specifically mentioned in the statutes or regulations may be used, upon approval by the Commissioner of Insurance. The procedure will be to submit the request to the Executive Board of the KSFFA, along with a detailed list of proposed expenditures, and a brief description of the receipts and expenditures for benefits provided your association members. KSFFA approval will be submitted to the Insurance Commissioner for approval.
25. Q. Can associations purchase computers?
- A. Yes. Associations can request a computer for use by the association. If an association approves, by vote, the treasurer to purchase a computer, then the treasurer can send a request to the President of the KSFFA. With the request must be a copy of the minutes of the association meeting approving the treasurer's request, a copy of the most recent Financial Statement and a bid sheet showing the total cost of all computer expenditures. The KSFFA Board shall review the request and make a recommendation for approval or denial of the request. If the request is approved, it will be signed by the KSFFA President and by the Commissioner of Insurance or a representative of the Commissioner. A denial can be appealed to the Commissioner.
26. Q. Can associations compensate the treasurer of the association?
- A. Yes. Associations can request compensation for the treasurer of the association. If an association, by vote, approves the compensation of the treasurer, then the treasurer can send a request to the President of the KSFFA. With the request must be a copy of the minutes of the association meeting approving the treasurer's request for compensation, a copy of the most recent Financial Statement, a statement as to how many hours are spent monthly doing FRA work, and a copy of a bid sheet showing the hourly rate that a bookkeeper, not a CPA, would charge to do the work. The compensation maximum is calculated at the rate of .0066 (2/3 of one percent) of the annual distribution, paid per month, of funds to that association or the amount a bookkeeper, not a CPA, would charge, whichever is less. The KSFFA Board shall review the request and make a recommendation for approval or denial of the request. If the request is approved, it will be signed by the KSFFA President and by the Commissioner of Insurance or a representative of the Commissioner. A denial can be appealed to the Commissioner.

LEGISLATIVE HISTORY OF THE FIREFIGHTERS RELIEF FUND ACT OF 1895

The Firemen's Relief Fund Act of 1895 was first amended in 1905 to require 3 percent of all moneys collected by the Superintendent of Insurance be paid to the Treasurer of the Kansas Firemen's Association. This money was to be used as prizes for "efficient, well-drilled and skilled fire companies" belonging to the association and competing at the annual state tournaments of the association. These tournaments were designed to encourage and maintain efficient and skilled fire companies in the state of Kansas.

In 1909 the act was amended to authorize the Firemen's Relief Fund to provide pensions to their members, who, after a minimum of 20 years service was determined to be unfit for further service to the local fire department.

In 1911 the Legislature deleted some of the restrictions on expenditures by the state association of the 3 percent fund paid to it by the Superintendent of Insurance. The state association was given wider discretion as to how this fund was to be spent in general and was specifically given the authority to loan money to city associations for the improvement of their fire departments. Also in that year, provision was made for investment by the various local associations in bonds of the city wherein the association was located. Two years later this provision was broadened to allow investment in United States Government Bonds.

In the year 1927 the Insurance Code was renumbered and the Firemen's Relief Act was designate the numbers 40-1701 to 40-1707. It has retained these numbers to this day. Also the act as read in 1895 was reworded with such words as "Commissioner of Insurance" replacing the formerly used term "Superintendent of Insurance." Further updating required the exclusion of reference to the old "state tournaments" and the term "annual meetings" was the replacement. Also in that year a provision was inserted requiring each local association to submit an annual account of its receipts and disbursements to the Commissioner of Insurance.

In 1941 an amendment to the act required the Commissioner of Insurance to notify the county attorney and in turn for him to institute proceedings against any local association whose annual accounting was not acceptable to the Commissioner. Also in that year certain unincorporated townships were made eligible for benefits under the Firemen's Relief Act.

In 1957 the law was broadened to apply to insurance companies incorporated in Kansas and benefits under the act were extended to certain counties and to fire districts. Also, expenditures of the 3 percent fund were broadened to allow disbursement for education and study of fire prevention. In 1967 the law was amended to define the qualification of a Firemen's Relief Association and the disposition of the funds of a disqualified association. The amendment further defines the procedure used when a Firemen's Relief Association is merged, annexed or consolidated with another association.

In 1974 the law was amended to allow a volunteer Firemen's Relief Association to purchase an annuity program under certain conditions. The amendment further provided that a volunteer or paid Firemen's Relief Association may purchase group term, group permanent or individual permanent life insurance contracts.

In 1984 the name of the law was changed to the Firefighters Relief Act and the method of distribution of the tax was altered.

Also, amount equal to 5% of such total amount of tax collected shall be paid by the commissioner of insurance to the Kansas State Firefighters Association, Inc. which shall be set aside as a death benefit fund to provide such benefits as determined by the association in accordance with the constitution and bylaws thereof. At the present time, a \$100,000 accidental death benefit insurance policy is purchased with this fund for firefighters belonging to a firefighter relief association participating in the 2% fund.

In 1987, legislation was enacted to establish a procedure whereby errors in one year are to be corrected in the next year's distribution and establish a process providing for the Commissioner of Insurance to hold one redetermination hearing for all associations who believe they have experienced changed circumstances and thus qualify for an adjustment in future distributions. Also, to enable volunteer fire departments to purchase an annuity for firefighters who have served 20 years on the department and have fought not less than 75% of the fires attended by the department and which the firefighter was available to attend.

In 1990, legislation was enacted to raise from \$500 to \$1,000 the minimum payment to associations from the premium taxes, provide that all association expenditures be conditioned upon the availability of distributions of the premium tax of a level sufficient to meet those financial commitments, and raise the amount of expenditures above which certification is required by the attorneys from \$500 to \$1,500.

KANSAS INSURANCE REPORT 1896

During the year 1896, Mr. George T. Anthony, State Superintendent of Insurance, reported comments concerning the "Benefit Fund for Fire Departments" in the Kansas Insurance Report. The new law was quite controversial and a portion of his comments is quoted below:

"Under the above title, the late legislature, by act approved March 7, 1895, provided that, in all cities having an organized fire department, under the control of the mayor and council, and having, in serviceable condition for fire duty, fire apparatus and equipment belonging thereto to the value of \$1,000 or upwards, every fire-insurance company, not incorporated under the laws of this state, doing business in such cities should return to this department a just and true account, verified by oath, of all premiums received from fire-insurance business done in such cities, and pay a tax of 2 percent, thereon, for the creation of benefit fund for fire departments' therein.

"It is but just to report to you that this law met a general and violent protest from insurance companies generally doing business in this state, and an organized opposition to its enforcement, embracing a majority of them. This opposition assumed a virulent and defiant attitude never before known or supposed possible, in a country where loyalty to law is the paramount duty of the citizen and the prime element of safety to the public. The law was declared unjust, unwise, and unconstitutional, and the methods prescribed for its administration by this department unreasonable, inquisitorial, and unbearable; that enforcement of the law in the manner proposed would result in the immediate withdrawal of insurance companies from the state, leaving its people unprotected and helpless against the ravages of fire and tempest.

"It becomes a profound pleasure to report that this revolutionary purpose was abandoned by those who threatened resort to it, and severely condemned by those who had refused to commit themselves to it. Every company finally yielded, and made the returns in form and manner prescribe by me, and paid the tax, penny for penny, as assessed upon such returns. A few paid under formal protest, reserving the right to bring suit against the state for its recovery when the law should become invalidated by decree of a court of last resort.

"During the heated controversy pending the execution of this law, I have refused to consider or give the least respect to the questions of wisdom, justice and constitutionality of the law, that have been urged as reasons for its non-enforcement, simply answering that my duties were administrative, not judicial, and that it was none of my official or personal concern as to the merits of a law that it become my sworn duty to execute; that if a bad law, as alleged, the shortest road to relief from it was the path of rigid enforcement.

"The situation is altogether changed now, and in this communication it is not an impingement upon official prerogative and propriety, but strictly in accord with them, to discuss the merits of this law. Indeed, the incumbent of this office is commended by statute to accompany this report 'with such suggestions as he deems expedient'."

"It is a pleasant duty to stand now as a defender of this law, and to commend it as wise in statesmanship, just in purpose, and undoubtedly, within the limit of legislative power conferred by the constitution. It is the one tax that has been imposed with absolute wisdom and justice, and against which no valid objection can be raised in the interest of insurer or insured. Next to the soldier who deems the flag and the constitution of his country stands the brave and fearless fireman. They alike perform duties the value of which cannot be estimated nor paid for in money, and each may rightfully command practical gratitude in the form of rewards for faithfulness, and protection from disaster so sure to follow in the line of their duties. From whence the pride of profession in fire departments springs may not be within comprehension, but that it exists as an inspiration to valorous deeds and heroic daring, to the very courting of death in the protection of the lives and property of those in whom they have no personal interest, must be recognized as a universal fact in our state and country.

"But stripped of the robings of sentiment, and presented in the nakedness of a cold, calculating business proposition, the maintenance of these fire departments and the protection of firemen from

casualties, by resort to municipal taxation, supplemented by a corporate taxation under laws now being considered, will find abundant vindication, both as a rightful and economical collection and use of money. I do not believe there is a single city affected by this law wherein it has not occurred more than once, in a single day or night, property owners and insurance companies have been saved from losses greater in amount than either or both will be called upon to pay in taxes to their fire department in 10 years. The protection from fire losses purchased by the maintenance of these organizations yields to the citizen a much greater return, measured by its cost, than comes to them from the fire insurance, and insurance companies themselves will find an equally profitable investment in their contributions to the benefit fund for fire departments under the existing law. And in their mad assaults upon it they simply knew not what they did.

"I hope this law will be allowed to stand unimpaired, and with a single amendment, making it apply to companies incorporated under the laws of this state, as it now does to companies admitted to do business here from other states and countries."

KANSAS STATE FIREFIGHTERS ASSOCIATION, INC.

The Firemen's Relief Act was amended in 1905 to provide that the Superintendent of Insurance shall deduct 3% of the amount collected for Firemen's Relief Funds for all cities except those having fully paid Fire Departments, and pay the same to the Kansas State Firemen's Association. Records in the Insurance Department indicate that the total collections for the Firemen's Relief Fund for the year ending December 31, 1905 amounted to \$32,734.55. The deduction of 3% as created by the revised provisions was deducted from all 125 participating cities except Atchison, Fort Scott, Kansas City, Leavenworth, Pittsburg, Topeka and Wichita. The total of 3% deductions amounted to \$550.61 which was paid to the Kansas State Firemen's Association.

From inception through December 31, 1979, the Kansas State Firemen's Association received a total amount of \$534,399.18 from the Commissioner of Insurance in connection with the collection of the Firemen's Relief Fund Tax.

Prior to 1957, the Kansas State Firemen's Association received money only from cities which maintained a regulatory organized volunteer fire department. In other words, prior to 1957 the Commissioner of Insurance deducted 3% of the money collected for cities with volunteer Fire Departments and paid this money to the Kansas State Firemen's Association. The old law provided that the money paid to the Kansas State Firemen's Association was to be used by the State Firemen's Association as regulated by it in the annual meetings of the association. The 1957 legislature amended the Firemen's Relief Act to provide that the commissioner shall deduct 3% of the Firemen's Relief Tax collected for all cities and pay that amount over to the Kansas State Firemen's Association. In other words, the law was broadened to provide that the full-paid fire departments also contributed to the money sent to the Kansas State Firemen's Association. This change in the law was further emphasized by the amount which the commissioner mailed to the state association in 1958 covering the tax period ending December 31, 1957. In 1958, the commissioner mailed a check to the Kansas State Firemen's Association in an amount of \$9,207.71. Prior to that time, the state association received only approximately \$3,000.00 annually. In 1985, the Commissioner of Insurance mailed a check to the Kansas State Firefighters Association in an amount of \$89,149.92 for its portion of the tax collected. Also, beginning that year the legislature authorized the Commissioner of Insurance to deduct 5 percent of the firefighters tax collected and pay it to the Kansas State Firefighters Association for a death benefit fund for participating firefighters. In 1985, this amount came to an additional \$75,960.00.

The 1957 legislature further clarified that the money sent to the Kansas State Firefighters Association is to be used for the education and study of fire prevention and fire extinguishment. The additional money which has been made available through the years in connection with that last legislative amendment has provided a facility whereby regional fire schools can be conducted throughout the state

from time to time. There seems to be no question as to the benefit received from the regional fire schools insofar as assisting and demonstrating to the volunteer fire departments, as well as the full-paid, a better understanding of fire prevention and fire extinguishment.

The Kansas State Firefighters Association, Inc. received \$154,146.19 in 2000 which represented the 3% amount to be used for education and study of fire prevention and fire extinguishment. In addition, \$72,547.50 was paid to the Kansas State Firefighters Association, Inc. to replenish the death benefit fund that they administer. In 2000, they have ten regional schools, one east rural and one west rural school, several special schools and the FRA Secretary Treasurer Workshop in November as well as four regional Secretary Treasurer Workshops. Since these schools are funded by the Firefighters Relief Fund Tax and since there is no fee for attending, we sincerely suggest that any firefighter in the area of one of these schools take advantage of the opportunity to participate if possible. The "Firewire", which is the newspaper of the Kansas State Firefighters Association, Inc., contains the locations, dates and agenda for each fire school.