

**PAYMENT OF COMMISSIONS TO
OFFICERS AND DIRECTORS**

The effective date of this Rule is April 20, 1968.

No domestic life insurance company that has been in existence for a period of ten (10) years or more shall pay directly or indirectly to any of its officers or directors any overwriting commissions, as defined in Ark. Stat. Sec. 66-3022, except that domestic life insurance companies may pay commissions on business personally produced by an officer or director during the period that such officer or director was serving as an agent for the company on a commission basis only.

The intent or purpose of this Rule is as follows: It is found and determined by the Insurance Commissioner that the payment of overwriting commissions beyond a period of ten (10) years is unfair and unreasonable and not in the best interest of insurers. This Rule is intended to provide a reasonable period (the formative years of a domestic life insurer) during which officers or directors may receive overwriting commissions and to prevent payment of overwriting commissions for indefinite periods contrary to the best interests of the insurer.

History.—Issued April 4, 1968, effective April 20, 1968.