



Michael Preston
SECRETARY OF COMMERCE

Alan McClain
COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

DATE: JULY 23, 2021
TO: ALL INTERESTED PARTIES
FROM: ARKANSAS INSURANCE DEPARTMENT
SUBJECT: RULE 126: "INSURANCE BUSINESS TRANSFERS"

NOTICE OF PUBLIC HEARING

Please find attached or available by electronic publication by the Arkansas Insurance Department ("AID") Proposed Rule 126, "Insurance Business Transfers".

Pursuant to Arkansas Administrative Procedures Act, and other applicable laws or rules, NOTICE is hereby given that a PUBLIC HEARING will be held on August 26, 2021 at 10:00 A.M., in the Second Floor Hearing Room ("Diamond Mine"), at the Arkansas Department of Commerce, 1 Commerce Way, Little Rock, AR 72202.

The Arkansas Insurance Commissioner has been directed to adopt a rule that supports Act 1018 of 2021. That Act creates statutory authority for an "Insurance Business Transfer" ("IBT"), a process in which one company ("transferring insurer") develops and implements a plan, subject to approval by the Insurance Commissioner, to transfer some or all of its rights, obligations, and risks on a group of insurance policies, typically older "legacy" policies, to another company ("assuming insurer"). This will provide a new option for insurance companies to be able to achieve contractual finality on the policies being sold or transferred through an IBT while at the same time ensuring court, insurance department and independent review of all such proposed transactions to ensure that the interest of policyholders, reinsurers, and other interested parties are not adversely impacted.

This Notice is required by the Arkansas Administrative Procedures Act in Ark. Code Ann. § 25-15-206. Copies of the proposed Rule may be obtained by writing or calling the Arkansas Insurance Department, or by visiting its Internet site at <https://www.insurance.arkansas.gov/pages/industry-regulation/legal/proposed-rules/>. Comments from the public will be accepted until August 26, 2021 and may be submitted to the Department in writing at the address above or electronically to the following email address: insurance.legal@arkansas.gov.

Sincerely,


Jim Brader,
Chief Legal Counsel
Arkansas Insurance Department

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The Arkansas Insurance Department will host a Public Hearing on August 26, 2021, at 10:00 AM., in the Second Floor Diamond Mine Hearing Room, in the Arkansas Department of Commerce Building, One Commerce Way, Little Rock, Arkansas 72202. The Arkansas Insurance Commissioner has been directed to adopt a rule that supports Act 1018 of 2021. That Act creates statutory authority for an “Insurance Business Transfer” (“IBT”), a process in which one company (“transferring insurer”) develops and implements a plan, subject to approval by the Insurance Commissioner, to transfer some or all of its rights, obligations, and risks on a group of insurance policies, typically older “legacy” policies, to another company (“assuming insurer”). This will provide a new option for insurance companies to be able to achieve contractual finality on the policies being sold or transferred through an IBT while at the same time ensuring court, insurance department and independent review of all such proposed transactions to ensure that the interest of policyholders, reinsurers, and other interested parties are not adversely impacted. This Notice is required by the Arkansas Administrative Procedures Act in Ark. Code Ann. § 25-15-206. Copies of the proposed Rule may be obtained by writing or calling the Arkansas Insurance Department, or by visiting its Internet site at <https://www.insurance.arkansas.gov/pages/industry-regulation/legal/proposed-rules/>. Comments from the public will be accepted until August 26, 2021, and may be submitted to the Department in writing at the address above or electronically to the following email address: insurance.legal@arkansas.gov. For more information, please contact Ms. Clara Mezza, Legal Division, Arkansas Insurance Department at 501-371-2820.