

May 18, 1999

BULLETIN 1-99

TO: ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, HOSPITAL & MEDICAL SERVICE CORPORATIONS, FARMERS' MUTUAL AID ASSOCIATIONS, ALL REGISTERED COURSE PROVIDERS, ADJUSTERS & SURPLUS LINE BROKERS TRADE ASSOCIATIONS, AGENT TRADE ASSOCIATIONS, FRATERNAL BENEFIT SOCIETIES & OTHERS

FROM: ARKANSAS INSURANCE DEPARTMENT

RE: DEPARTMENT AGENT OMNIBUS ACT 657 OF 1999

The purpose of this Bulletin is to summarize the provisions of Arkansas Act 657 of 1999, on agent-related legislation in the Department Agent Omnibus Act. Each recipient is hereby requested to notify all officers, directors, managers, employees, agents & brokers, adjusters about this new Agent Omnibus Act.

Please review the attached summary. Full text of this and other Acts can be obtained from the Arkansas Secretary of State, State Capitol Building, State Capitol Grounds, Little Rock, Arkansas, 72201, or 501-682-1010. Electronic [Internet] access to full texts of Acts is available with a link to the State General Assembly Home Page on the State's Web at

www.state.ar.us

which is also available through a link to the Insurance Department's Home Page at www.state.ar.us/insurancedept/

These new provisions may be the subject of later bulletins or proposed Department rules and regulations. For more information, please contact Jean Langford, Chief Counsel, at 371-2820, or Director Fred Stiffler in License Division at 501-371-2820 or

Insurance.License@mail.state.ar.us

Mike Pickens
Insurance Commissioner

MP:JL:maw

Arkansas Act 657 OF 1999, formerly House Bill 1787 of 1999, is the INSURANCE AGENT OMNIBUS ACT, and is **effective 3-16-99 BY EMERGENCY**.

Section 1 adds NEW (6) TO § 23-64-102 to define "agent" and "broker" to include "producer" in order to expedite nonresident license process for Arkansas agents;

Section 2 amends § 23-64-103 to expand license exemption for clerical staff of agents & brokers & insurers;

Section 3 amends §23-64-205 (e) to reduce waiting time between Department test to 4 weeks after three (3) failed attempts for agent & broker & consultant applicants for first-time license;

Section 4 amends §23-64-209 (b)(5) to exempt licensed nonresident adjusters from having to set up or maintain offices located in Arkansas;

Section 5 amends §23-64-209 (b)(6) in Paragraph (A)(ii) to reduce waiting time between Department tests to 4 weeks after three (3) failed attempts for adjuster applicants for first-time licenses;

Section 6 amends §23-64-211 to streamline the re-application process for nonresident agent or broker moving to or back to Arkansas (i.e., exchanging non-resident license for resident license);

Section 7 amends §23-64-215(a); adds extra days to allow delinquent agents, brokers, consultants, adjusters to pay tardy annual license fee (ARF fees). Adds extra 10 months to get reinstated (i.e. to pay ARF fee before revocation or cancellation of license). After 30 days, ARF fee is doubled; after 60 days, ARF fee is tripled; after 90 days, license may be summarily suspended. Reinstatement after suspension requires triple ARF fee. For unpaid fees 90 days after license suspension, Commissioner may automatically revoke or cancel license without further notice or hearing;

Section 8 amends §23-64-302 to exempt continuing education hours for consultants (all lines of insurance); also exempts Continuing Education (CE) hours for 1st year after nonresident agent/broker moves to Arkansas but is annual for all 2nd & subsequent years;

Section 9 adds new (c) to §23-64-305 to allow Commissioner to approve 2 hours CE credit for agent or broker participating as active annual member of local, regional, state or national professional insurance organizations or associations; and

Section 10 amends§23-65-308 to reduce time from 7 to 3 years a property & casualty & surety & marine agent must have a basic Arkansas license before applying for first-time surplus line broker license. Contact Ms. Carol Stiffler, Property & Casualty Division, at 501-371-2800.
