



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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TO: ALL LICENSED DOMESTIC INSURERS, ALL LICENSED DOMESTIC HEALTH MAINTENANCE ORGANIZATIONS (HMOS), ALL LICENSED DOMESTIC HOSPITAL AND MEDICAL SERVICE CORPORATIONS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: NAIC DATABASE FEES DUE FROM DOMESTIC ENTITIES

The Arkansas Insurance Department is sending you this Bulletin to announce our formal position on the captioned issue. The Arkansas Insurance Department is directing licensed domestic entities to pay their proper share of NAIC filing fees commencing in Years 2001 and 2002.

The fees support a myriad of state insurance regulatory services and activities, which support the services of this Department to the people of the State of Arkansas. One compelling reason we need our domestic entities to pay is so we and other states who are members of the NAIC will have complete, accurate credible data enabling this Department to fulfill our financial solvency, market conduct and fraud protection duties as required by law.

The NAIC is composed primarily of this state's and all other states' insurance regulators. The database fees fund an amazing variety of services to those member states and are necessary to maintain state regulation, from which our domestic companies benefit. Those services, to name a few, include: tools to monitor increased solvency, market conduct activities, as well as to bolster our fraud prosecution and deterrence efforts.

These NAIC services are actual benefits, which are necessary to the Arkansas Insurance Department, and we cannot reproduce them alone. These particularly support the work of our Finance Division, Fraud Division, Agent Licensing and others.

It is increasingly evident that in our State all but a small number of domestic companies dutifully pay these database fees. This is to advise that we expect all of our domestics to pay the database fees billed in 2001 and 2002 and future years.

Questions concerning this Bulletin should be directed to the Legal Division at (501) 371-2820, or e-mail questions to Insurance.legal@mail.state.ar.us.

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