Michael Preston
SECRETARY OF COMMERCE

Alan McClain
INSURANCE COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

March 24, 2021

Bulletin No. 4-2021

TO: **All Licensed Foreign, Alien and Domestic Insurers, Accredited/Trusteed Reinsurers, Farmers' Mutual Aid Associations, Hospital and Medical Service Corporations, Health Maintenance Organizations, Fraternal Benefit Societies, Insurer Trade Associations, Rate Service or Advisory Organizations, All Insurance Producer Trade Associations, Approved But Not Admitted Surplus Lines Insurers, Licensed Agencies, Licensed Surplus Lines Brokers, the National Association of Insurance Commissioners and Other Interested Parties**

FROM: **Arkansas Insurance Department**

SUBJECT: 2021 Company Appointment Renewals for Producers

Every licensed entity which appoints an insurance producer in this state shall annually file with the Insurance Commissioner a renewal appointment under the Producer License Model Act, specifically Arkansas Code Annotated § 23-64-219 and § 23-64-514(b), together with the fee amount specified in Arkansas Code Annotated § 23-61-401 and Arkansas Insurance Department Rule 57.

The insurance company's renewal of a producer's appointment indicates that the appointing company has reviewed the producer's background and fitness to continue to act as an agent of the company.

An insurance producer's appointments shall remain in effect during any period of active duty in any branch of the United States military pursuant to Arkansas Code Annotated § 23-64-507(b)(2).

Under pertinent law, each appointment shall remain in effect until terminated. **CAVEAT** — Under Arkansas Code Annotated §23-64-507(c), an individual insurance producer who allows his or her license to lapse may reinstate the same license within twelve (12) months after the due date of the renewal fee, without the necessity of passing a written examination, by paying a penalty in the amount of double the unpaid renewal fee. However, the appointments are terminated at the time of lapse and are not reinstated if the license is reinstated or reactivated.

The following procedures apply in 2021 for appointment renewals and terminations:

A company must annually review its records on its appointed Arkansas producers and business entities (insurance agencies) and decide whether the company will renew each appointment. The company can research its appointed producers and business entities by going to the License Division page on the Arkansas Insurance Department ("Department") website at https://insurance.arkansas.gov/pages/industry-regulation/licensing, then selecting **"State Based Systems - SBS".** Click on **Lookup — One Search.** AR is the jurisdiction and Company is the Search Type. Type in the insurance company's NAIC number and click "Search". You will have Company

Lookup page showing the company you are searching for. Click on the company name and scroll down the Appointments bar. All of the active appointments are listed there. If an appointment does not appear on this list, the appointment is not active.

Reminder: With the SBS system, the agency appointments are now separate from the producer appointments and are no longer shared appointments. There should be a direct appointment for the agency and for each producer doing business with the company under the agency license. The company should verify the status of the individual or agency license by using the "Licensee Lookup" on the SBS services page by selecting Search Type "Licensee" and Entity Type "Individual" or "Business Entity." The company can also verify Arkansas appointments by use of the **NAIC Producer Database (PDB)** for individual appointments. NIPR Subscriber Insurers can reconcile company appointments by obtaining a list of appointments via the **Company Appointment Report (CAR)** prior to renewal invoices being created.

The company appointment renewals will include all active appointments that are in effect through May 24, 2021. The company should terminate all appointments that the company does not wish to renew. Terminations must be completed by May 24, 2021 via NIPR. NIPR and the Arkansas Department will not process any new appointments after May 24, 2021 to prepare for the appointment renewal process. The company can process the individual terminations electronically by going to NIPR.com. The NIPR website provides specific instructions and includes a list of approved business partners.

All company appointment renewals must be processed via NIPR.com for 2021. Please contact NIPR at 855-674-6477 or supportnipr.com with any questions regarding NIPR processes. On June 1, 2021, NIPR will allow for the renewal of company appointments after 8:00 am CST. NIPR will turn off the appointment renewal process at 4:00 pm CST on July 1, 2021. Payment must be by credit card, electronic check, or electronic funds transfer. NIPR will not accept paper check payments. If the company cannot renew electronically via NIPR, it must contact the Arkansas Insurance Department License Division directly after June 1, 2021 and explain why the company cannot renew electronically. Any paper checks will be returned to the company unprocessed. Any company attempting renewal after July 1, 2021 must contact the Arkansas Insurance Department. By law, a penalty of up to **double the fee** may be charged to companies who fail to meet the payment deadline.

Questions concerning this Bulletin should be directed to the License Division at 501-371-2750 or by email at insurance.license@arkansas.gov.

This Bulletin is intended to and shall rescind prior AID Bulletin 17-2020, entitled "2020 Company Appointment Renewals for Producers" and dated April 16, 2020.

ALAN McCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS

3/24/20
DATE