

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

BULLETIN NO. 5-2018

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: 2018 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 2018 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 the "**State Based Services – SBS**" link. 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 Licensee type "**Individual**" for the producer or Licensee Type "**Business Entity**" for the agency. 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 May 18, 2018. The company should terminate all appointments that the company does not wish to renew. If the insurance company processes the terminations by paper, the Department must receive the terminations by May 1, 2018. For paper termination of appointments, the company may send the terminations on paper forms with a ten dollar (\$10.00) fee for each terminated appointment. Please note that paper terminations may take 15 business days for the state to process. Electronic terminations must be completed by May 25, 2018 via NIPR. NIPR and the Arkansas Department will not process any new appointments after May 18, 2018, to prepare for the appointment renewal process. The company can also process the individual termination electronically by going to NIPR.com. The NIPR website provides specific instructions and includes a list of approved business partners.

All company appointment renewals will be processed via NIPR for 2018. Please contact NIPR at 816-783-8467 or support@nipr.com with any questions regarding NIPR processes. On June 1, 2018, NIPR will allow for the renewal of company appointments after 8:00am CST. NIPR will turn off the appointment renewal process at 4:00pm CST on July 02, 2018. Payment can 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, 2018, and explain why the company cannot renew electronically. The company may pay by paper check directly to the Arkansas Insurance Department. The check should be made payable to the Arkansas Insurance Department Trust Fund and should be attached to a letter stating the payment is for the annual company appointment renewal. The letter should list the name and the NAIC number of the company and list a contact name, contact phone number and email information. All unaccompanied checks will be returned to the company unprocessed. Any company attempting renewal after June 30, 2018 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 Bulletin 4-2017, entitled "2017 Company Appointment Renewals for Producers" and dated May 18, 2017.



Allen Kerr
Insurance Commissioner
Arkansas Insurance Department

April 24, 2018
Date