

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A BILL ACT 477 OF 1991
HOUSE BILL 1023

4 **By: Committee on Insurance and Commerce**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE §23-64-212 RELATING TO
9 LICENSING OF NONRESIDENT INSURANCE AGENTS AND BROKERS; AND
10 FOR OTHER PURPOSES."

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12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. Arkansas Code §23-64-212 is hereby amended to read as
15 follows:

16 "23-64-212. Nonresident agents and brokers - License.

17 (a) (1) The commissioner may license as an agent or a broker a person who
18 is a licensed agent or broker of another state, and who is otherwise qualified
19 therefor under this chapter except as to residence, if under the laws of the
20 state of his domicile a similar privilege is granted to persons resident or
21 domiciled in Arkansas.

22 (2) By reciprocal arrangements with the insurance supervisory official in
23 such other state, the commissioner may waive written examination of an
24 applicant for license as nonresident broker or agent, if the official
25 certifies that the applicant is licensed as a resident agent or broker of such
26 state and has complied with its qualification standards therefor.

27 (3) As part of the application for any such license, the commissioner
28 shall require the applicant to file his written agreement, acknowledged under
29 the oath of the applicant, that he will not during the period of the license
30 directly or indirectly place insurance upon subjects resident, located, or to
31 be performed in this state, except by policies or contracts in insurers
32 authorized to transact insurance in this state.

33 (4) The fee for any such license shall be as stated in 23-61-401.

34 (5) A nonresident agent shall have one (1) appointment for each insurer
35 to be so represented.

36 (b) (1) Upon the nonresident broker's or nonresident agent's change of

1 residence to the State of Arkansas, each such licensee shall apply for and
2 obtain a resident agent's or broker's license within ninety (90) days of such
3 change of residence to this state. The nonresident broker or nonresident agent
4 license of such person shall cease to be valid ninety (90) days after such
5 change of residence to this state.

6 (2) If any nonresident broker or nonresident agent fails to obtain a
7 resident agent's or broker's license within this time period, the commissioner
8 in his discretion may refuse to issue a resident agent's or broker's license
9 to the person or, upon issuance of the license, may suspend the license for up
10 to twelve (12) months and may impose

11 an administrative penalty upon the person in the amount of three hundred
12 dollars (\$300) or, if the commissioner has found willful misconduct or willful
13 violation on the part of the person, one thousand dollars (\$1,000). This
14 administrative penalty may, in the commissioner's discretion, be augmented by
15 an amount equal to any commissions received by or accruing to the credit of
16 the person with regard to any transactions occurring after the expiration of
17 the ninety-day period as provided in subdivision (b)(1) of this section.

18 (c) A nonresident broker's license or a nonresident agent's license may
19 be suspended or revoked for violation of the agreement referred to in
20 subdivision (a)(3) of this section or for any other cause for which the
21 license of a resident agent or broker may be revoked."

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23 SECTION 2. All provisions of this Act of a general and permanent nature
24 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
25 Revision Commission shall incorporate the same in the Code.

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27 SECTION 3. If any provision of this Act or the application thereof to
28 any person or circumstance is held invalid, such invalidity shall not affect
29 other provisions or applications of the Act which can be given effect without
30 the invalid provision or application, and to this end the provisions of this
31 Act are declared to be severable.

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33 SECTION 4. All laws and parts of laws in conflict with this Act are
34 hereby repealed.

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1 SECTION 5. It is hereby found and determined by the General Assembly of
2 the State of Arkansas that the present law on the licensing of nonresident
3 insurance agents and brokers has resulted in economic harm to Arkansas
4 insurance agents and brokers licensed in other states, in that other states
5 have taken retaliatory action in the form of revocation of Arkansas insurance
6 agent's and broker's licenses in such states because of the restrictions
7 current Arkansas law places on activities of nonresident agents and brokers in
8 Arkansas; that there is an urgent need for the revision of the law pertaining
9 to licensing of nonresident insurance agents and brokers; and that this Act is
10 immediately necessary to eliminate deficiencies found in the present law.
11 Therefore, an emergency is hereby declared to exist and this Act being
12 immediately necessary for the preservation of the public peace, health and
13 safety shall be in full force and effect from and after its passage and
14 approval.

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APPROVED: 3-13-91