

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senators Scott, Hardin**

A Bill

SENATE BILL 140

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 23-78-108(a) RELATING TO
9 THE AUTHORITY OF THE BURIAL ASSOCIATION BOARD IN
10 ESTABLISHING RATES AND RESERVE REQUIREMENTS; TO ESTABLISH
11 THE NEW BUSINESS EMERGENCY GUARANTY FUND; AND FOR OTHER
12 PURPOSES."

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

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16 SECTION 1. Arkansas Code 23-78-108(a) is amended to read as follows:

17 "(a) The Burial Association Board appointed pursuant to this chapter
18 shall have full and complete authority to:

19 (1) Grant certificates of authority to burial associations;

20 (2) Revoke certificates of authority, charters, or other
21 authority granted to burial associations in this state;

22 (3) Fix the minimum assessments or minimum membership dues for
23 which burial associations may issue certificates for benefits in specified
24 amounts;

25 (4) Supervise the affairs of all burial associations organized or
26 operating in this state;

27 (5) Conduct hearings as provided in this chapter and collect,
28 receive, hold, and expend annual license fees as provided in this chapter;

29 (6) Adopt and enforce such rules and regulations as it may deem
30 necessary and expedient for the proper operation of the board and the carrying
31 out of the objects and purposes of this chapter; and

32 (7) Establish rates and reserve requirements for burial
33 associations in Arkansas ."

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1 SECTION 2. Arkansas Code Title 23, Chapter 78, Subchapter 1 is amended
2 to add the following new section:

3 "23-78-126. (a) There is hereby established a fund to insure the
4 solvency of 'new business' as that term is defined by the Rules adopted by the
5 Board, which shall be known as the 'New Business Emergency Guaranty Fund'.

6 (b) The New Business Emergency Guaranty Fund shall be initially
7 established by a special, one-time assessment by the Board for each member in
8 an active burial association in the amount of ten cents (10¢) per member.
9 That assessment must be paid by each burial association prior to its writing
10 any new business under the provisions of this subchapter.

11 (c) The assessments for the New Business Emergency Guaranty Fund shall
12 be paid to the Board Secretary who shall maintain the fund's assets, on behalf
13 of the Board, in an interest-bearing account in a financial institution
14 organized and operating under the laws of the State of Arkansas. The fund
15 shall be under the exclusive control of the Board.

16 (d) The Fund shall be used, at the Board's sole discretion, to pay
17 those claims, if any, that arise from new business written pursuant to the
18 Board's rules and regulations prior to an association's having sufficient
19 funds in its new business account to satisfy such claims.

20 (e) The Board may make such additional assessments for the Fund as it
21 deems reasonable and necessary based on its experience in administering the
22 Fund."

23 SECTION 3. 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 4. 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 5. All laws or parts of laws in conflict with this act are
34 hereby repealed.

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1 SECTION 6. EMERGENCY. It is hereby found and determined by the General
2 Assembly that the present authority of the Burial Association Board in
3 establishing rates and reserve requirements is inadequate and needs revision;
4 that a fund should be established to insure the solvency of new business
5 written by a burial association; and that this act is immediately necessary to
6 protect the public. Therefore, an emergency is hereby declared to exist and
7 this act being necessary for the immediate preservation of the public peace,
8 health and safety shall be in full force and effect from and after its passage
9 and approval.

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/s/Scott, et al