

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H2/7/03
A Bill

HOUSE BILL 1357

5 By: Representatives Weaver, Adams, Bennett, Berry, Biggs, Blair, Bledsoe, Bolin, P. Bookout, Boyd,
6 Bradford, Chesterfield, Childers, Clemons, Cowling, Creekmore, Dees, Dickinson, Eason, Edwards,
7 Elliott, D. Evans, Fite, Gillespie, Gipson, Green, Haak, Harris, Hathorn, Hickinbotham, Jackson, C.
8 Johnson, Jones, Kenney, Ledbetter, Lendall, Lewellen, Mathis, Milligan, Oglesby, Pate, Petrus, L. Prater,
9 Rankin, Roebuck, Scrimshire, Scroggin, Seawel, Stovall, Sullivan, J. Taylor, C. Taylor

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12 **For An Act To Be Entitled**

13 AN ACT TO APPROPRIATE MONEY FROM THE STATE
14 INSURANCE DEPARTMENT TRUST FUND TO THE ARKANSAS
15 COMPREHENSIVE HEALTH INSURANCE POOL; AND FOR
16 OTHER PURPOSES.

17
18 **Subtitle**

19 AN ACT TO APPROPRIATE MONEY FROM THE
20 STATE INSURANCE DEPARTMENT TRUST FUND TO
21 THE ARKANSAS COMPREHENSIVE HEALTH
22 INSURANCE POOL.

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

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27 SECTION 1. APPROPRIATION - ARKANSAS COMPREHENSIVE HEALTH INSURANCE
28 POOL. There is hereby appropriated, to the State Insurance Department, to be
29 payable from the State Insurance Department Trust Fund, for payments to the
30 Arkansas Comprehensive Health Insurance Pool as set out in § 23-79-507(e),
31 for each fiscal year of the biennial period ending June 30, 2005, a sum not
32 to exceed.....\$8,000,000.

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34 SECTION 2. Arkansas Code § 19-5-922, creating the State Insurance
35 Department Trust Fund, is amended to read as follows:

36 19-5-922. State Insurance Department Trust Fund.



1 (a) There is hereby established on the books of the Treasurer of
 2 State, Auditor of State, and Chief Fiscal Officer of the State a fund to be
 3 known as the State Insurance Department Trust Fund.

4 (b)(1) Such fund shall consist of those special revenues as specified
 5 in § 19-6-301(172), the first \$100,000 of workers' compensation premium taxes
 6 transferred from the various funds created in § 11-9-301 as provided in § 11-
 7 9-303(c), grants, refunds, gifts, and any remaining funds of the Arkansas
 8 Earthquake Authority as provided in § 23-102-119 and examination of insurers
 9 payments as set out in §§ 23-61-201 - 23-61-206.

10 (2) The State Insurance Department Trust Fund shall be used:

11 (A) ~~there to be used to~~ To defray the expenses of the
 12 State Insurance Department in the discharge of its administrative and
 13 regulatory powers and duties as prescribed by law and as set out in § 23-61-
 14 701 et seq.; and

15 (B) To defray the administrative expenses and losses
 16 incurred by the Arkansas Comprehensive Health Insurance Pool or its
 17 successor.

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 19 SECTION 3. Arkansas Code § 23-61-702, creating the State Insurance
 20 Department Trust Fund, is amended to read as follows:

21 23-61-702. The State Insurance Department Trust Fund - Creation.

22 (a) There is hereby established on the books of the Treasurer of
 23 State, the Auditor of State, and the Chief Fiscal Officer of the State a fund
 24 to be known as the "State Insurance Department Trust Fund" to be used to:

25 (1) defray Defray the expenses of the State Insurance Department
 26 in the discharge of its administrative and regulatory powers and duties as
 27 prescribed by law; or

28 (2) Defray the administrative expenses and losses incurred by
 29 the Arkansas Comprehensive Health Insurance Pool or its successor.

30 (b) No money is to be appropriated from this fund for any purpose
 31 except:

32 (1) As provided in subsection (a) of this section;

33 (2) ~~for~~ For the personal services and operating expenses,
 34 maintenance and operations, and support of and improvements to the
 35 department, ~~and;~~ or

36 (3) ~~at~~ At the direction of the Insurance Commissioner, for the

1 use, benefit, and support of the department.

2 (c) The fund established pursuant to this section shall be
3 administered, disbursed, and invested under the direction of the commissioner
4 and the Treasurer of State.

5 (d) All income derived through grants, refunds, and gifts to the State
6 Insurance Department Trust Fund shall be credited as income to the fund and
7 deposited therein.

8 (e) Further, all moneys deposited to the aforementioned fund shall not
9 be subject to any deduction, tax, levy, or any other type of assessment,
10 except as may be provided in this subchapter.

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12 SECTION 4. Arkansas Code § 23-79-507, concerning the funding of the
13 Arkansas Comprehensive Health Insurance Pool, is amended to add a new
14 subsection to read as follows:

15 (e) Payment from the State Insurance Department Trust Fund.

16 (1)(A) Following the close of each fiscal year, the board and
17 the plan administrator shall determine whether the pool has incurred a
18 deficit as calculated under subdivision (b)(2) of this section.

19 (B) If a deficit under subdivision (b)(2) of this section
20 has been incurred, the State Insurance Department shall, during the next
21 fiscal year, transfer for deposit into the pool, from the State Insurance
22 Department Trust Fund, in equal quarterly installments, a sum equal to the
23 deficit from those funds in the State Insurance Department Trust Fund that
24 are in excess of the amount needed to meet the requirements of the approved
25 annual budget for the applicable fiscal year but not to exceed eight million
26 dollars (\$8,000,000).

27 (2) For any fiscal year in which the board and the plan
28 administrator determine that the pool did not incur a deficit as calculated
29 under subdivision (b)(2) of this section, the State Insurance Department
30 shall not, during the following fiscal year, transfer any funds to the pool
31 from the State Insurance Department Trust Fund under subdivision (e)(1)(B) of
32 this section.

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34 SECTION 5. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
35 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW. STUDY.
36 The Legislative Council shall conduct a study during the 2003-2005 biennium

1 *concerning alternative methods of funding for the Comprehensive Health*
2 *Insurance Pool and shall report its findings to the Joint Budget Committee on*
3 *or before December 31, 2004.*

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5 *SECTION 6. LEGISLATIVE INTENT. It is the intent of the General*
6 *Assembly that any funds disbursed under the authority of the appropriations*
7 *contained in this act shall not serve as a basis for the State Insurance*
8 *Department to increase fees of any kind to support any deficiency that may*
9 *occur in the State Insurance Department Trust Fund.*

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11 */s/ Weaver, et al*

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