

"AN ACT TO AMEND SECTION 7 OF ACT 898 OF 1981, THE SAME BEING ARKANSAS STATUTES ANNOTATED SECTION 66-3507; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 7 of Act 898 of 1981, the same being Arkansas Statutes Annotated 66-3507, is hereby amended to read as follows:

"Section 7. Group insurance offered to a resident of this State under a group policy issued to a group other than one described in Sections 2 through 6 shall be subject to the following requirements:

(A) No such group policy or certificate shall be delivered in this State unless the Commissioner finds that:

(1) the issuance of the group policy is not contrary to the best interest of the public;

(2) the issuance of the group policy would be actuarially sound;

(3) the issuance of the group policy would result in economies of acquisition or administration; and

(4) the benefits are reasonable in relation to the premiums charged.

(B) The premium for the policy shall be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both.

(C) An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

(D) The Commissioner may issue regulations implementing the requirements of subsection (A) of this Section."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: 3/16/87

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