

"AN ACT TO AMEND SECTION 21 OF ACT 732 OF 1979, AS AMENDED, THE SAME BEING ARKANSAS STATUTES ANNOTATED SECTION 66-3120, AS TO RATE FILINGS FOR WORKERS COMPENSATION INSURANCE; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 21(a)(3) of Act 732 of 1979, as amended, the same being Arkansas Statute 66-3120 (a)(3), is hereby amended to read as follows:

"(3) Every such filing must be submitted for approval to the Commissioner at least thirty (30) days prior to the proposed effective date. Upon written request of the filer, the Commissioner may authorize an earlier effective date. If the Commissioner does not have sufficient information to determine whether the filing meets the requirements of this Section, he shall require the filer to furnish the information upon which it supports the filing. In this event the proposed effective date shall not be less than thirty (30) days after the date the information is furnished. Each filing shall, as soon as submitted, be open to public inspection. The Commissioner may require that the rate filing be submitted to an independent consulting actuary of his choice for review. The full expense of the consulting actuarial review shall be borne by the filing insurer or rate service organization."

SECTION 2. Section 21(a)(4) of Act 732 of 1979, as amended, the same being Arkansas Statute 66-3120(a)(4), is hereby amended to read as follows:

"(4) An insurer may satisfy its obligation to file by filing by reference to the rates and supplementary information, with or without deviation, filed by a licensed rate service organization with which the insurer is a member or subscriber; provided, that nothing contained in this Section shall be construed as requiring any insurer to become a member of or subscriber to any rate service organization. Filings made by licensed rate service organizations shall be for advisory purposes only and shall not be made on behalf of any insurer. Reference filings made in this manner can only be changed by subsequent filings by the insurer."

SECTION 3. Section 21(a)(7) of Act 732 of 1979, as amended, the same being Arkansas Statute 66-3120(a)(7), is hereby amended to read as follows:

"(7) If, after the hearing, the Commissioner finds that the filing does not meet the requirements of this Section, he shall issue an order specifying in what respects the filing fails to meet the requirements and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. Copies of the order shall be sent to all parties to the hearing. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order."

SECTION 4. Section 21(b)(1) of Act 732 of 1979, as amended, the same being Arkansas Statute 66-3120(b)(1), is hereby amended to read as follows:

"(1) Every member of or subscriber to a rate service organization shall adhere to the filings by such organization to which it has filed by reference except that any such insurer may make written application to the Commissioner to file a deviation from the class rates, schedules, rating plans or rules thereof. Such application shall specify the basis for the modification and a copy shall also be sent simultaneously to such rate service organization. In

considering the application to file a deviation the Commissioner shall give consideration to the available statistics and the principles for ratemaking as provided in this Section. The Commissioner shall approve the deviation for the insurer if he finds it to be justified, and it shall thereupon become effective. He shall disapprove the application if he finds that the deviation applied for does not meet the requirements of this Section."

SECTION 5. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: April 7, 1987

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