

"AN ACT TO AMEND SECTION 8 OF ACT 796 OF 1985 BY ADDING A NEW SUBSECTION TO EXEMPT FROM THE BONDING REQUIREMENT ANY THIRD PARTY ADMINISTRATOR WHO OPERATES PURSUANT TO ADMINISTRATIVE SERVICE CONTRACTS ONLY; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 8 of Act 796 of 1985, the same being Arkansas Statutes Annotated Section 66-6010, is hereby amended by adding a new subsection (3) to read as follows:

"(3) Any applicant for a certificate of registration or for a renewal of a certificate shall not be required to post a bond pursuant to subsection (1) of this Section if the applicant operates only pursuant to an Administrative Services agreement and does not collect, receive or remit funds on the behalf of insureds."

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 All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY CLAUSE. It is hereby found and determined by the Seventy-Sixth General Assembly that the third party administrators operating pursuant to Administrative Services agreement and assumes no financial responsibility, should not be required to post a bond with the State. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: April 8, 1987

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