

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**

# **A Bill**

**ACT 178 OF 1995**  
**HOUSE BILL 1367**

4 **By: Representatives Beatty, Young, J. Wilson, Allen, B.G. Hendrix, Schexnayder, Purdom, M.**  
5 **Wilson, Cunningham and Newman**

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## **For An Act To Be Entitled**

9 "AN ACT TO DEFINE A TRADE PRACTICE VIOLATION THE CHURNING  
10 OF BUSINESS BY A LICENSEE AND TO DEFINE CHURNING OF  
11 BUSINESS; AND FOR OTHER PURPOSES."

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### **Subtitle**

14 "TO MAKE AND DEFINE THE CHURNING OF  
15 BUSINESS A TRADE PRACTICE VIOLATION."

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

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SECTION 1. Arkansas Code 23-66-206 is hereby amended by adding a new subsection (14) at the end of the existing section to read as follows:

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21 "(14) Churning of Business is wherein the licensee replaces an  
22 existing policy of life and/or disability insurance and that replacement is  
23 not in accordance with § 23-66-307 or that replacement is without objective  
24 demonstration by the licensee of the purpose of replacing the policy for the  
25 benefit and betterment of the insured."  
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27 SECTION 2. All provisions of this act of a general and permanent nature  
28 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
29 Revision Commission shall incorporate the same in the Code.

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SECTION 3. If any provision of this act or the application thereof to  
32 any person or circumstance is held invalid, such invalidity shall not affect  
33 other provisions or applications of the act which can be given effect without  
34 the invalid provision or application, and to this end the provisions of this  
35 act are declared to be severable.

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1           SECTION 4. All laws and parts of laws in conflict with this act are  
2 hereby repealed.

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APPROVED: 2-6-95