

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

As Engrossed: H3/29/99

# A Bill

Act 1501 of 1999  
HOUSE BILL 2109

5 By: Representative Horn  
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## For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 23-92-316 TO PROHIBIT  
10 AN EMPLOYEE LEASING FIRM OR OTHER INDIVIDUAL  
11 ASSOCIATION, COMPANY FIRM, PARTNERSHIP, OR CORPORATION  
12 WHO LEASES EMPLOYEES FROM SELLING INSURANCE EXCEPT  
13 THROUGH A LICENSED RESIDENT OR NON-RESIDENT INSURANCE  
14 AGENT. "

## Subtitle

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17 "AN AMENDMENT TO ARKANSAS CODE 23-92-316  
18 TO PROHIBIT THE SALE OF INSURANCE BY AN  
19 EMPLOYEE LEASING FIRM OR GROUP EXCEPT  
20 THROUGH A LICENSED RESIDENT OR NON-  
21 RESIDENT AGENT. "

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

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26 SECTION 1. Arkansas Code 23-92-316 is amended to read as follows:

27 "23-92-316. Prohibited conduct.

28 (a) No employee leasing firm or other individual, association, company,  
29 firm, partnership, or corporation who leases employees may evade;

30 (1) Evade or attempt to evade the provisions of this subchapter  
31 by purporting to be the sole employer of the employees it leases;

32 (2) Present a proposal to enter into an employee leasing  
33 arrangement with a prospective client unless the following notice is printed  
34 in not less than 12-point bold type on the first page of the proposal:

35 'This proposal is intended to provide information about the  
36 general terms and conditions under which the above named firm will enter into

1 an agreement to provide human resource outsourcing services. Information  
2 contained in this proposal does not constitute advice on legal, tax, or  
3 insurance matters. For advice on such matters, you should consult with the  
4 appropriate licensed professional.';

5 (3) Enter into an employee leasing arrangement without a written  
6 provision signed by the client that the client is responsible for ensuring  
7 with the assistance of a licensed insurance agent that any subcontractor of  
8 the client has workers' compensation coverage as required by law; or

9 (4) Transact insurance, as defined in Arkansas Code 23-60-102,  
10 except through a licensed resident or non-resident insurance agent.

11 (b) For purposes of this subchapter, transacting insurance shall  
12 include any of the following actions by an employee leasing firm or its  
13 representatives:

14 (1) Soliciting prospective clients based solely or primarily on  
15 representation of insurance cost advantages;

16 (2) Advising a prospective client regarding insurance coverage;  
17 or

18 (3) Selling a policy of insurance to a client or employee.

19 (c) For purposes of this subchapter, transacting insurance shall not  
20 include any of the following actions by an employee leasing firm or its  
21 representatives:

22 (1) Soliciting prospective clients to enter into an employee  
23 leasing arrangement;

24 (2) Collecting information form a prospective client related to  
25 payroll, employee benefits, employment policies, workplace safety, and other  
26 employer responsibilities and operational experience;

27 (3) Evaluating collected information to ascertain the employee  
28 leasing firm's risk and cost associated with serving a prospective client's  
29 workforce;

30 (4) Informing a prospective client of the terms and conditions  
31 under which the employee leasing firm will enter into an employee leasing  
32 arrangement; or

33 (5) Performing employer responsibilities as required by Arkansas  
34 Code 23-92-315."

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36 SECTION 2. All provisions of this act of a general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
2 Revision Commission shall incorporate the same in the Code.

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

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

12 /s/ Horn

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15 APPROVED: 4/15/1999  
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