

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H2/7/03 H4/3/03

A Bill

Act 1583 of 2003
HOUSE BILL 1357

5 By: Representatives Weaver, Adams, Bennett, Berry, Biggs, Blair, Bledsoe, Bolin, P. Bookout, Boyd,
6 Bradford, Chesterfield, Childers, Clemons, Cowling, Creekmore, Dees, Dickinson, Eason, Edwards,
7 Elliott, D. Evans, Fite, Gillespie, Gipson, Green, Haak, Harris, Hathorn, Hickinbotham, Jackson, C.
8 Johnson, Jones, Kenney, Ledbetter, Lendall, Lewellen, Mathis, Milligan, Oglesby, Pate, Petrus, L. Prater,
9 Rankin, Roebuck, Scrimshire, Scroggin, Seawel, Stovall, Sullivan, J. Taylor, C. Taylor, *R. Smith*

For An Act To Be Entitled

10
11
12 AN ACT TO APPROPRIATE MONEY FROM THE STATE
13 INSURANCE DEPARTMENT TRUST FUND TO THE ARKANSAS
14 COMPREHENSIVE HEALTH INSURANCE POOL; AND FOR
15 OTHER PURPOSES.
16

Subtitle

17
18 AN ACT TO APPROPRIATE MONEY FROM THE
19 STATE INSURANCE DEPARTMENT TRUST FUND TO
20 THE ARKANSAS COMPREHENSIVE HEALTH
21 INSURANCE POOL.
22
23
24

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

26
27 SECTION 1. APPROPRIATION - ARKANSAS COMPREHENSIVE HEALTH INSURANCE
28 POOL. There is hereby appropriated, to the State Insurance Department, to be
29 payable from the State Insurance Department Trust Fund, for payments to the
30 Arkansas Comprehensive Health Insurance Pool as set out in § 23-79-507(e),
31 for each fiscal year of the biennial period ending June 30, 2005, a sum not
32 to exceed.....\$8,000,000.
33

34 SECTION 2. APPROPRIATION - FIRE DEPARTMENTS. There is hereby
35 appropriated, to the State Insurance Department, to be payable from the State
36 Insurance Department Trust Fund, for making payments to the Arkansas Rural



1 Risk Underwriting Association for distribution on an equal basis to all
2 participating fire departments as may be provided by law, and only from those
3 monies not required to fund the appropriation in Section 1 of this Act, for
4 each fiscal year of the biennial period ending June 30, 2005, a sum not to
5 exceed\$8,000,000.

6
7 SECTION 3. Arkansas Code § 19-5-922, creating the State Insurance
8 Department Trust Fund, is amended to read as follows:

9 19-5-922. State Insurance Department Trust Fund.

10 (a) There is hereby established on the books of the Treasurer of
11 State, Auditor of State, and Chief Fiscal Officer of the State a fund to be
12 known as the State Insurance Department Trust Fund.

13 (b)(1) Such fund shall consist of those special revenues as specified
14 in § 19-6-301(172), the first \$100,000 of workers' compensation premium taxes
15 transferred from the various funds created in § 11-9-301 as provided in § 11-
16 9-303(c), grants, refunds, gifts, and any remaining funds of the Arkansas
17 Earthquake Authority as provided in § 23-102-119 and examination of insurers
18 payments as set out in §§ 23-61-201 - 23-61-206.

19 (2) The State Insurance Department Trust Fund shall be used:

20 (A) ~~there to be used to~~ To defray the expenses of the
21 State Insurance Department in the discharge of its administrative and
22 regulatory powers and duties as prescribed by law and as set out in § 23-61-
23 701 et seq.;

24 (B) To defray the administrative expenses and losses
25 incurred by the Arkansas Comprehensive Health Insurance Pool or its
26 successor; and

27 (C) Fund capital expenditures and training for fire
28 departments certified by the Arkansas Department of Emergency Management.

29
30 SECTION 4. Arkansas Code § 23-61-702, creating the State Insurance
31 Department Trust Fund, is amended to read as follows:

32 23-61-702. The State Insurance Department Trust Fund - Creation.

33 (a) There is hereby established on the books of the Treasurer of
34 State, the Auditor of State, and the Chief Fiscal Officer of the State a fund
35 to be known as the "State Insurance Department Trust Fund" to be used to:

36 (1) defray ~~Defray~~ the expenses of the State Insurance Department

1 in the discharge of its administrative and regulatory powers and duties as
2 prescribed by law;

3 (2) Defray the administrative expenses and losses incurred by
4 the Arkansas Comprehensive Health Insurance Pool or its successor; and

5 (3) Fund capital expenditures and training for fire departments
6 certified by the Arkansas Department of Emergency Management.

7 (b) No money is to be appropriated from this fund for any purpose
8 except:

9 (1) As provided in subsection (a) of this section;

10 (2) ~~for~~ For the personal services and operating expenses,
11 maintenance and operations, and support of and improvements to the
12 department, ~~and~~; or

13 (3) ~~at~~ At the direction of the Insurance Commissioner, for the
14 use, benefit, and support of the department.

15 (c) The fund established pursuant to this section shall be
16 administered, disbursed, and invested under the direction of the commissioner
17 and the Treasurer of State.

18 (d) All income derived through grants, refunds, and gifts to the State
19 Insurance Department Trust Fund shall be credited as income to the fund and
20 deposited therein.

21 (e) Further, all moneys deposited to the aforementioned fund shall not
22 be subject to any deduction, tax, levy, or any other type of assessment,
23 except as may be provided in this subchapter.

24
25 SECTION 5. Arkansas Code § 23-79-507, concerning the funding of the
26 Arkansas Comprehensive Health Insurance Pool, is amended to add a new
27 subsection to read as follows:

28 (e) Payment from the State Insurance Department Trust Fund.

29 (1)(A) Following the close of each fiscal year, the board and
30 the plan administrator shall determine whether the pool has incurred a
31 deficit as calculated under subdivision (b)(2) of this section.

32 (B) If a deficit under subdivision (b)(2) of this section
33 has been incurred, the State Insurance Department shall, during the next
34 fiscal year, transfer for deposit into the pool, from the State Insurance
35 Department Trust Fund, in equal quarterly installments, a sum equal to the
36 deficit from those funds in the State Insurance Department Trust Fund that

1 are in excess of the amount needed to meet the requirements of the approved
2 annual budget for the applicable fiscal year but not to exceed eight million
3 dollars (\$8,000,000).

4 (2) For any fiscal year in which the board and the plan
5 administrator determine that the pool did not incur a deficit as calculated
6 under subdivision (b)(2) of this section, the State Insurance Department
7 shall not, during the following fiscal year, transfer any funds to the pool
8 from the State Insurance Department Trust Fund under subdivision (e)(1)(B) of
9 this section.

10
11 *SECTION 6. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS*
12 *CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW. STUDY.*
13 *The Legislative Council shall conduct a study during the 2003-2005 biennium*
14 *concerning alternative methods of funding for the Comprehensive Health*
15 *Insurance Pool and shall report its findings to the Joint Budget Committee on*
16 *or before December 31, 2004.*

17
18 *SECTION 7. LEGISLATIVE INTENT. It is the intent of the General*
19 *Assembly that any funds disbursed under the authority of the appropriations*
20 *contained in this act shall not serve as a basis for the State Insurance*
21 *Department to increase fees of any kind to support any deficiency that may*
22 *occur in the State Insurance Department Trust Fund.*

23
24 /s/ Weaver, et al

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27 *APPROVED: 4/21/2003*
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