

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

A Bill

Act 65 of 2003
HOUSE BILL 1037

5 By: Representative Napper
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For An Act To Be Entitled

9 AN ACT TO REMOVE FOREIGN LLOYD'S PLAN INSURERS
10 FROM THE TRUSTEED ASSETS REQUIREMENT IN ARKANSAS
11 CODE § 23-63-208; AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT TO REMOVE FOREIGN LLOYD'S PLAN
14 INSURERS FROM THE TRUSTEED ASSETS
15 REQUIREMENT IN ARKANSAS CODE § 23-63-
16 208.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 23-63-208 is amended to read as follows:

23 23-63-208. Certificate of authority - Eligibility - Lloyd's plan
24 insurers.

25 (a) Foreign Lloyd's plan insurers which held certificates of authority
26 to transact insurance in this state immediately prior to January 1, 1960, may
27 continue to be so authorized while maintaining surplus as required under §
28 23-63-205(b) of foreign mutual insurers transacting like kinds of insurance
29 and while otherwise in compliance with the Arkansas Insurance Code.

30 (b)(1) Any other foreign or alien Lloyd's plan insurer may hereafter
31 be authorized to transact in this state any or all kinds of insurance other
32 than life, title, or surety insurance while otherwise in compliance with the
33 Arkansas Insurance Code, ~~and while maintaining~~

34 (2) However, alien Lloyd's plan insurers may only be authorized
35 to transact insurance in this state under subdivision (b)(1) of this section
36 if the alien Lloyd's plan insurer maintains trusted assets within the United



1 States for the protection of its United States policyholders or policyholders
 2 and creditors, under trust arrangements and with a trust institution
 3 satisfactory to the Insurance Commissioner, of not less than five million
 4 dollars (\$5,000,000), and of which at least one million dollars (\$1,000,000)
 5 represents an excess of such assets over the liabilities of the alien insurer
 6 as to its insurance transactions in the United States.

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 8 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 9 General Assembly of the State of Arkansas that, by requiring foreign Lloyd's
 10 plan insurers to maintain trusteed assets when other foreign insurers are not
 11 subject to that requirement, the insurance licensing laws of this state
 12 restrict the ability of foreign Lloyd's plan insurers to offer insurance
 13 policies to consumers within this state and reduce consumer access to
 14 available insurance; that the foreign Lloyd's plan insurers should be held to
 15 the same licensing requirements as other foreign insurers and should not be
 16 subject to the trusteed assets requirement; that these changes are
 17 immediately necessary to foster increased competition among licensed insurers
 18 in this state and to thereby create greater consumer access to available
 19 insurance. Therefore, an emergency is declared to exist, and this act being
 20 immediately necessary for the preservation of the public peace, health and
 21 safety, shall become effective on:

22 (1) The date of its approval by the Governor;

23 (2) However, if the bill is neither approved nor vetoed by the
 24 Governor, the expiration of the period of time during which the Governor may
 25 veto the bill; or

26 (3) If the bill is vetoed by the Governor and the veto is overridden,
 27 it shall become effective on the date that last house overrides the veto.

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 30 **APPROVED: 2/5/2003**