Stricken language would be deleted from and underlined language would be added to present law.

Act 696 of the Regular Session

State of Arkansas
92nd General Assembly
Regular Session, 2019

By: Senator Rapert

For An Act To Be Entitled
AN ACT TO AMEND THE STATUTES CONCERNING THE BOOKS AND RECORDS REQUIREMENTS UNDER THE ARKANSAS INSURANCE CODE; TO MODIFY THE TRADE PRACTICES ACT UNDER THE ARKANSAS INSURANCE CODE; AND FOR OTHER PURPOSES.

Subtitle
TO AMEND THE STATUTES CONCERNING THE BOOKS AND RECORDS REQUIREMENTS UNDER THE ARKANSAS INSURANCE CODE; AND TO MODIFY THE TRADE PRACTICES ACT UNDER THE ARKANSAS INSURANCE CODE.

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

SECTION 1. Arkansas Code § 23-63-216, concerning the requirements for books and records of an insured, is amended to add an additional subsection to read as follows:

(f)(1) An insurer or a related entity licensed to do business in this state shall maintain the insurer’s or the related entity’s books, records, and documents in a manner that allows the commissioner to readily ascertain during an examination the insurer’s or the related entity’s compliance with the insurance laws of this state, rules, and the standards outlined in the most recent and appropriate companion National Association of Insurance Commissioners Market Conduct Examiners Handbook, including without limitation company operations and management, policyholder service, marketing, producer licensing, underwriting, rating, complaint handling, grievance handling, and claims practices.
(2) A health insurer or a related entity shall maintain the health insurer's or the related entity's books, records, and documents in a manner that allows the commissioner to readily ascertain during a market conduct examination the health insurer's or the related entity's practices regarding network adequacy, utilization review, quality assessment and improvement, and provider credentialing.

(3) The records described under subdivisions (f)(1) and (2) of this section shall be retained for the current year plus five (5) calendar years.

SECTION 2. Arkansas Code § 23-66-206(4), concerning the definition of "failure to maintain complaint handling procedures", is amended to read as follows:

(4)(A) “Failure to maintain complaint handling procedures” means failing to adopt and implement reasonable standards for the prompt handling of complaints received by the person from insureds or claimants, or from the Insurance Commissioner on behalf of insureds or claimants, and failing to keep a record thereof of the complaints received.

(B) A complete complaints register of all complaints that the person has received since the date of its last examination shall be maintained for the current year plus five (5) calendar years. This complaints register shall indicate:

(i) The total number of complaints;

(ii) The classification of complaints by line of insurance;

(iii) The nature of each complaint;

(iv) The disposition of each complaint;

(v) The time it took to process each complaint; and

(vi) Such other information as the commissioner may reasonably require by way of regulations.

(C) For purposes of As used in this subdivision (4), “complaint” means any written communication primarily expressing a grievance;

/s/Rapert

APPROVED: 4/4/19