

1 State of Arkansas
2 93rd General Assembly
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4

As Engrossed: S3/10/21

A Bill

HOUSE BILL 1239

5 By: Representative Lowery
6 By: Senators M. Pitsch, J. Hendren
7

For An Act To Be Entitled

9 AN ACT TO REMOVE THE PRELICENSURE EDUCATIONAL
10 REQUIREMENTS EXEMPTION FOR AN INSURANCE ADJUSTER; TO
11 REQUIRE A NONRESIDENT INSURANCE PRODUCER, ADJUSTER,
12 OR CONSULTANT TO MAINTAIN A LICENSE IN GOOD STANDING
13 IN THE LICENSEE'S HOME STATE; AND FOR OTHER PURPOSES.
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Subtitle

15
16 TO REMOVE THE PRELICENSURE EDUCATIONAL
17 REQUIREMENTS EXEMPTION FOR AN INSURANCE
18 ADJUSTER; TO REQUIRE A NONRESIDENT
19 INSURANCE PRODUCER, ADJUSTER, OR
20 CONSULTANT TO MAINTAIN A LICENSE IN GOOD
21 STANDING IN THE LICENSEE'S HOME STATE.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 23-64-202(b)(2)(A)(iii)(d), concerning
28 exemption from prelicensing education, is amended to read as follows:

29 (d) ~~Applicants for adjuster and consultant~~
30 ~~licenses are~~ An applicant for an insurance consultant license is exempt from
31 prelicensing education, as are nonresident applicants for producer and
32 adjuster licenses from states that engage in reciprocal licensing with
33 Arkansas.
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35 SECTION 2. Arkansas Code § 23-64-216(a), concerning the suspension or
36 revocation of license of an insurance producer, adjuster, or insurance



1 consultant, is amended to read as follows:

2 (a) The Insurance Commissioner may suspend for up to thirty-six (36)
3 months, may revoke or refuse to continue, or may place in probationary status
4 any license issued by him or her if after notice to the licensee and after
5 hearing, unless a hearing is exempted under subdivision (a)(2)(I)(iii) of
6 this section, he or she finds any one (1) or more of the following causes
7 exist:

8 (1) In the case of an insurance producer or broker licensed as
9 an insurance producer, for any of the causes under § 23-64-512; or

10 (2) In the case of an adjuster or insurance consultant licensed
11 under this subchapter:

12 (A) Providing incorrect, misleading, incomplete, or
13 materially untrue information in the license application;

14 (B) Violating any insurance laws or violating any
15 regulation, subpoena, or order of the ~~commissioner~~ Insurance Commissioner or
16 of another state's insurance commissioner;

17 (C) Obtaining or attempting to obtain a license through
18 misrepresentation or fraud;

19 (D) Improperly withholding, misappropriating, or
20 converting any moneys or properties received in the course of doing insurance
21 business;

22 (E) Intentionally misrepresenting the terms of an actual
23 or proposed insurance contract or application for insurance;

24 (F) Having been convicted of a felony;

25 (G) Having admitted or been found to have committed any
26 insurance unfair trade practice or fraud;

27 (H) Using fraudulent, coercive, or dishonest practices, or
28 demonstrating incompetence, untrustworthiness, or financial irresponsibility
29 in the conduct of business in this state or elsewhere;

30 (I)(i) Having an insurance producer, insurance consultant,
31 or adjuster license, or its equivalent, denied, suspended, or revoked in any
32 other state, province, district, or territory.

33 (ii) A license of a nonresident insurance producer,
34 adjuster, or insurance consultant whose home state license ceases to be
35 active shall be summarily suspended by the Insurance Commissioner under § 23-
36 64-508(b)(2).

1 (iii)(a) If summarily suspending the license of a
2 nonresident insurance producer, adjuster, or insurance consultant under
3 subdivision (a)(2)(I)(ii) of this section, the Insurance Commissioner shall
4 provide notice in writing to the address provided to the State Insurance
5 Department by the licensee.

6 (b) The notice required under subdivision
7 (a)(2)(I)(iii)(a) of this section shall inform the licensee that a hearing
8 may be requested within thirty (30) days of receipt of the notice of
9 suspension;

10 (J) Forging another's name to an application for insurance
11 or to any document related to an insurance transaction;

12 (K) Improperly using notes or any other reference material
13 to complete an examination for an insurance license;

14 (L) Knowingly accepting insurance business from an
15 individual who is not licensed;

16 (M) Failing to comply with an administrative or court
17 order imposing a child support obligation; or

18 (N) Failing to pay state income tax or comply with any
19 administrative or court order directing payment of state income tax.

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22 /s/Lowery

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25 **APPROVED: 3/17/21**