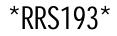
Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1	State of Arkansas	A D'11		
2	82nd General Assembly	A Bill	Act 301 of 1999	
3	Regular Session, 1999		HOUSE BILL 1328	
4				
5	By: Representative Magnus			
6				
7				
8	For An Act To Be Entitled			
9	"AN ACT TO AMEND ARKANSAS CODE 23-63-216 (a)(1) TO			
10	CLARIFY THE PROPER NAIC FORM OF INSURER ANNUAL REPORTS			
11	WHICH THE INSURANCE COMMISSIONER PRESCRIBES FOR USE;			
12	TO AMEND ARKANSAS CODE 23-76-113 AS TO HEALTH			
13	MAINTENANCE ORGANIZATIONS (HMOS); TO CLARIFY THE			
14	REQUIREMENTS FOR ANNUAL AND QUARTERLY FINANCIAL REPORT			
15	FILINGS FROM HMOS ON NAIC FORMS PRESCRIBED FOR USE BY			
16	THE INSURANCE COMMISSIONER, AND FOR OTHER PURPOSES."			
17				
18	Subtitle			
19	"TO AMEND ARKANSAS CODE 23-63-216 AND 23-			
20	76-113 AS TO INSURER AND HMO ANNUAL AND			
21	QUARTERLY FINANCIAL REPORTS ON NAIC			
22	FORMS FOR FILING WITH THE INSURANCE			
23	COMMI SSI ONER. "			
24				
25	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:			
26				
27	SECTION 1. Arkansas Code 23-63-216(a)(1) is hereby amended to read as			
28	follows:			
29	"(1) The statement shall be the appropriate <u>and most recent</u> National			
30	Association of Insurance Commissioners' annual statement blank:			
31	<u>'Annual Statement Blank for Life and Accident and Health'; or</u>			
32	'Property and Casualty Annual Statement Blank'; or			
33	<u>'Title Insurance Annual Statement Blank'; or</u>			
34	<u>'Hospital, Medical and Dental Service or Indemnity Corporations Annual</u>			
35	Statement Blank'; or			
36	<u>'Fraternal Annual</u>	<u>'Fraternal Annual Statement Blank'; or</u>		



1

Other NAIC convention blank as appropriate;

which shall be prepared in accordance with the <u>most recent and appropriate</u>,
<u>companion</u> National Association of Insurance Commissioners' <u>'Annual Statement</u>
<u>Instructions'</u> instructions handbook and follow those accounting practices and
procedures prescribed by the <u>most recent and appropriate</u>, <u>companion</u> National
Association of Insurance Commissioners' Accounting Practices and Procedures
Manual."

8

9 SECTION 2. Ark. Code Ann. 23-76-113 is hereby amended to read as 10 follows:

11

"23-76-113. Annual report- and Quarterly Report.

(a) Every health maintenance organization (HMO) shall annually, on or
before March 1st, file a report verified by at least two (2) principal
officers with the commissioner, with a copy to the Director of the Department
of Health, covering the preceding calendar year.

16 (b) The report shall be on forms prescribed by the commissioner 17 and shall include:. For the report to be filed March 1, 2000, and annually 18 thereafter, the annual report prescribed by the commissioner shall be the 19 appropriate and most recent National Association of Insurance Commissioners' 20 'Annual Statement Blank for Health Maintenance Organizations', which shall be prepared in accordance with the National Association of Insurance 21 22 Commissioners' 'Annual Statement Instructions for Health Maintenance Organizations'; and shall follow those accounting practices and procedures 23 24 prescribed by the most recent National Association of Insurance Commissioners' 'Accounting Practices and Procedures Manual for Health Maintenance 25 Organizations'. Each authorized HMO shall furnish all information as called 26 27 for by the National Association of Insurance Commissioners' 'Annual Statement Blank for Health Maintenance Organizations'; further it shall be verified by 28 29 oath or affirmation of the health maintenance organization's president or vice 30 president and secretary or actuary. The commissioner shall furnish to each 31 domestic health maintenance organization two (2) copies of the forms on which the annual statement is to be made. The annual report shall include: 32 (1) A financial statement of the organization including its 33 balance sheet and receipts and disbursements for the preceding year An annual 34 35 audited financial report certified by an independent certified public 36 accountant:

HB1328

(2) Any material changes in the information submitted pursuant to
 § 23-76-107(c);

3 (3) The number of persons enrolled during the year, the number of
4 enrollees as of the end of the year, and the number of enrollments terminated
5 during the year;

6 (4) A summary of information compiled pursuant to § 23-76-108 in
7 such form as required by the Director of the Department of Health; and
8 (5) Any other information, on an annual, quarterly or more
9 <u>frequent basis as the commissioner shall prescribe</u>, relating to the
10 performance of the health maintenance organization which is necessary to
11 enable the commissioner to carry out his duties under this chapter.

12 (c) Any health maintenance organization that fails to file the <u>annual</u>, 13 <u>quarterly or any required financial or other</u> report when due <del>shall</del> <u>may</u> be 14 subject to a penalty of one hundred dollars (\$100) for each day of delinquency 15 <u>in the commissioner's discretion</u>, <u>or</u> unless the penalty is waived by the 16 commissioner upon a showing of good cause by the organization.

17 (d) Beginning on and after January 1, 2000, each authorized health 18 maintenance organization (HMO) shall prepare and file with the commissioner a 19 quarterly financial report on forms and at such times as shall be prescribed by the commissioner. The quarterly financial report shall be the appropriate 20 and most recent National Association of Insurance Commissioners' (NAIC) 21 22 'Quarterly Statement Blank for Health Maintenance Organizations', which shall be prepared in accordance with the National Association of Insurance 23 24 Commissioners' 'Quarterly Statement Instructions for Health Maintenance Organizations'; and shall follow those accounting procedures and practices 25 prescribed by the National Association of Insurance Commissioners' 'Accounting 26 Practices and Procedures Manual for Health Maintenance Organizations'. The 27 28 quarterly statement shall be verified by the officers of the HMO as required 29 by the NAIC convention blank." 30

31 SECTION 3. All provisions of this Act of a general and permanent nature 32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code 33 Revision Commission shall incorporate the same in the Code.

- 34
- 35 36

SECTION 4. If any provision of this Act or the application thereof to

3

any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable. SECTION 5. All laws and parts of laws in conflict with this Act are hereby repealed. APPROVED: 2/25/1999