

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

As Engrossed: S3/4/19

# A Bill

SENATE BILL 396

5 By: Senator Rapert  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE STATUTES CONCERNING THE BOOKS AND  
9 RECORDS REQUIREMENTS UNDER THE ARKANSAS INSURANCE  
10 CODE; TO MODIFY THE TRADE PRACTICES ACT UNDER THE  
11 ARKANSAS INSURANCE CODE; AND FOR OTHER PURPOSES.  
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## Subtitle

14 TO AMEND THE STATUTES CONCERNING THE  
15 BOOKS AND RECORDS REQUIREMENTS UNDER THE  
16 ARKANSAS INSURANCE CODE; AND TO MODIFY  
17 THE TRADE PRACTICES ACT UNDER THE  
18 ARKANSAS INSURANCE CODE.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code § 23-63-216, concerning the requirements for  
25 books and records of an insured, is amended to add an additional subsection  
26 to read as follows:

27 (f)(1) An insurer or a related entity licensed to do business in this  
28 state shall maintain the insurer's or the related entity's books, records,  
29 and documents in a manner that allows the commissioner to readily ascertain  
30 during an examination the insurer's or the related entity's compliance with  
31 the insurance laws of this state, rules, and the standards outlined in the  
32 most recent and appropriate companion National Association of Insurance  
33 Commissioners Market Conduct Examiners Handbook, including without limitation  
34 company operations and management, policyholder service, marketing, producer  
35 licensing, underwriting, rating, complaint handling, grievance handling, and  
36 claims practices.



1           (2) A health insurer or a related entity shall maintain the  
 2 health insurer's or the related entity's books, records, and documents in a  
 3 manner that allows the commissioner to readily ascertain during a market  
 4 conduct examination the health insurer's or the related entity's practices  
 5 regarding network adequacy, utilization review, quality assessment and  
 6 improvement, and provider credentialing.

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

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

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

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

23                   (i) The total number of complaints;  
 24                   (ii) The classification of complaints by line of  
 25 insurance;  
 26                   (iii) The nature of each complaint;  
 27                   (iv) The disposition of each complaint;  
 28                   (v) The time it took to process each complaint; and  
 29                   (vi) Such other information as the commissioner may  
 30 reasonably require by way of regulations.

31           (C) ~~For purposes of~~ As used in this subdivision (4), "complaint"  
 32 means any written communication primarily expressing a grievance;

35   /s/Rapert

36   **APPROVED: 4/4/19**