

ARKANSAS SENATE
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of Senate Bill No. 379

"TO UPDATE AND MAKE TECHNICAL CORRECTIONS TO THE ARKANSAS
INSURANCE CODE, TO CONFORM THE EXAMINATION OF INSURERS AND OTHER
MATTERS TO CURRENT INSURANCE PRACTICES, AND TO ADDRESS VARIOUS
OTHER INSURANCE ISSUES."

Amendment No. 2 to Senate Bill No. 379.

Amend Senate Bill No. 379 as originally introduced:

Page 5, delete line 13 and substitute the following:

"this subsection (e).

SECTION 9. Arkansas Code § 23-63-514(c), concerning material disclosures on the registration statement, is amended to read as follows:

(c)(1) Materiality. No information need be disclosed on the registration statement filed pursuant to subsection (b) of this section if the information is not material for the purposes of this section. Unless the commissioner by rule, regulation, or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of one percent (~~.5%~~) (0.5%) or less of an insurer's admitted assets as of the December 31 next-preceding shall not be deemed material for purposes of this section.

(2)(A) However, each registered insurer shall disclose in writing to the commissioner within five (5) business days following the declaration of a dividend and no less than ten (10) business days prior to the payment of the dividend, all ordinary dividends payable to shareholders.

(B) The disclosure shall also be included in the reporting insurer's next annual and restated insurance registration statement and upon any statutory filing required under § 23-63-514 or § 23-63-515.

SECTION 10. Arkansas Code § 23-63-515(d)(2)(A), concerning extraordinary dividends of domestic insurers, is amended to read as follows:

(2)(A) In determining whether a dividend or distribution is extraordinary, an insurer other than a life insurer may carry forward net income from the previous two (2) calendar years that has not already been paid out as ~~dividends~~ a dividend.



SECTION 11. Arkansas Code § 23-63-818, concerning domestic insurer's investments in subsidiaries, is amended to add an additional subsection to read as follows:

(c)(1) Unless a greater investment has been approved in writing by the commissioner, a domestic insurer subject to this subchapter shall limit its investments in common stock, preferred stock, debt obligations, and other securities of its noninsurance subsidiaries to the lesser of:

- (A) Ten percent (10%) of the domestic insurer's assets; or
- (B) Fifty percent (50%) of the domestic insurer's surplus.

(2) This subsection does not apply to the amount of an investment held on the effective date of this act by a domestic insurer licensed in Arkansas.

AND

Appropriately renumber the remaining Sections of the bill

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Miller

DLP/SML - 02-27-2007 10:04

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Secretary