

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1912

4
5 By: Representatives Hardy, W. Lewellen, Hawkins
6 By: Senators H. Wilkins, Altes, G. Baker, Bledsoe, Bookout, Horn, B. Johnson, P. Malone, T. Smith,
7 Teague

For An Act To Be Entitled

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10 AN ACT TO AMEND ARKANSAS CODE § 23-86-106 TO
11 REGULATE GROUP ACCIDENT AND HEALTH INSURANCE
12 ASSOCIATIONS; TO REQUIRE A GROUP ACCIDENT AND
13 HEALTH INSURANCE ASSOCIATION TO REGISTER WITH THE
14 INSURANCE COMMISSIONER BEFORE ISSUING A GROUP
15 ACCIDENT AND HEALTH INSURANCE POLICY TO THE
16 ASSOCIATION; AND FOR OTHER PURPOSES.

Subtitle

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19 TO REQUIRE GROUP ACCIDENT AND HEALTH
20 INSURANCE ASSOCIATIONS TO REGISTER WITH
21 THE INSURANCE COMMISSIONER.
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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 § 23-86-106(2), concerning group accident and
28 health insurance associations, is amended to read as follows:

29 (2)(A) Under a policy issued to an association, including a
30 labor union, ~~that has a constitution and bylaws and that~~ when the Insurance
31 Commissioner finds, ~~that~~ regardless of where the association is domiciled or
32 does business, the association has:

33 (i) Articles of incorporation and bylaws;

34 (ii) At least one hundred (100) members; and

35 (iii) ~~been~~ Been organized and maintained in good
36 faith in active existence for at least two (2) years for purposes other than



1 that of obtaining insurance or insuring members, employees, or employees of
2 members of the association for the benefit of persons other than the
3 association or its officers or trustees.

4 (B) The term "employees" as used in this subdivision (2)
5 may include retired employees+.

6 (C)(i) Before issuing a group accident and health
7 insurance policy to an association, the association or its insurer on behalf
8 of the association shall file with the commissioner proof that the
9 association meets the requirements of subdivision (2)(A) of this section.

10 (ii) The commissioner shall approve or disapprove
11 the association as an eligible group policyholder and maintain a list of
12 approved associations.

13 (iii) An insurer has satisfied the requirements of
14 subdivision (2)(A) of this section if before the effective date of this
15 subdivision, the insurer has:

16 (a) Filed its association plan or plans with
17 the commissioner; and

18 (b) Received the commissioner's approval of
19 its forms.

20 (D) The commissioner may:

21 (i) Require a previously approved association to
22 provide proof that the association meets the requirements of subdivision
23 (2)(A) of this section; and

24 (ii) Revoke the authority of a previously approved
25 association to operate as an eligible group policyholder.

26 (E) An insurer may not issue a group accident and health
27 insurance policy to an association in which the insurer has an affiliation,
28 including without limitation, common:

29 (i) Board members, officers, executives, or
30 employees;

31 (ii) Ownership or control of the insurer and the
32 association; or

33 (iii) Use of office space or equipment utilized by
34 the insurer to transact the business of insurance;

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