

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S2/21/11

A Bill

SENATE BILL 45

5 By: Senator J. Hutchinson
6

For An Act To Be Entitled

8 AN ACT TO ESTABLISH LICENSURE REQUIREMENTS OF
9 DOMESTIC SURPLUS LINES INSURERS; TO DECLARE AN
10 EMERGENCY; AND FOR OTHER PURPOSES.
11

Subtitle

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13 TO ESTABLISH LICENSURE REQUIREMENTS OF
14 DOMESTIC SURPLUS LINES INSURERS AND TO
15 DECLARE AN EMERGENCY.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 23, Chapter 65, Subchapter 3 is amended
22 to add an additional section to read as follows:

23 23-65-320. Domestic surplus lines insurers.

24 (a) A domestic insurer possessing policyholder surplus of at least
25 twenty million dollars (\$20,000,000) may be:

26 (1) Designated as a domestic surplus lines insurer with the
27 written approval of the Insurance Commissioner; and

28 (2) Allowed to write surplus lines insurance in any jurisdiction
29 in which it is eligible.

30 (b) A domestic surplus lines insurer is:

31 (1) Subject to the surplus lines premium tax;

32 (2) Deemed a nonadmitted surplus lines insurer in the State of
33 Arkansas; and

34 (3) Deemed a nonadmitted surplus lines insurer under the Dodd-
35 Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203.
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1 (c) A domestic surplus lines insurer is not subject to:

2 (1) The Arkansas Property and Casualty Insurance Guaranty Act, §
3 23-90-101 et seq.; or

4 (2) The Arkansas Life and Health Insurance Guaranty Association
5 Act, § 23-96-101 et seq.

6 (d) All provisions of the Arkansas Insurance Code regarding financial
7 and solvency requirements apply to domestic surplus lines insurers unless
8 domestic surplus lines insurers are otherwise specifically exempted.

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10 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
11 General Assembly of the State of Arkansas that to improve the efficiency of
12 the surplus lines insurance system when considered appropriate by the
13 Insurance Commissioner, a licensure procedure for domestic surplus lines
14 insurers is required, and that this act is immediately necessary because it
15 will assist in documenting who is authorized to participate in the surplus
16 lines insurance system. Therefore, an emergency is declared to exist and
17 this act being immediately necessary for the preservation of the public
18 peace, health, and safety shall become effective on:

19 (1) The date of its approval by the Governor;

20 (2) If the bill is neither approved nor vetoed by the Governor,
21 the expiration of the period of time during which the Governor may veto the
22 bill; or

23 (3) If the bill is vetoed by the Governor and the veto is
24 overridden, the date the last house overrides the veto.

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26 */s/J. Hutchinson*

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29 **APPROVED: 03/18/2011**