

INTERIM STUDY PROPOSAL 2023-002

State of Arkansas  
94th General Assembly  
Regular Session, 2023

**A Bill**

ANS/ANS  
HOUSE BILL

By: Representative Warren

Filed with: House Committee on Insurance and Commerce  
pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

AN ACT TO AMEND THE LAW CONCERNING TITLE INSURANCE;  
TO MODIFY THE REGULATION OF INSURANCE RATES; TO ALLOW  
CERTAIN ADVISORY ORGANIZATIONS TO MAKE RATE FILINGS  
FOR TITLE INSURERS; AND FOR OTHER PURPOSES.

**Subtitle**

TO AMEND THE LAW CONCERNING TITLE  
INSURANCE; TO MODIFY THE REGULATION OF  
INSURANCE RATES; AND TO ALLOW CERTAIN  
ADVISORY ORGANIZATIONS TO MAKE RATE  
FILINGS FOR TITLE INSURERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-67-203 is amended to read as follows:  
23-67-203. Scope.

This chapter applies to all kinds of insurance written on risks in this  
state by any insurers authorized to do business in this state, except:

- (1) Life insurance;
- (2) Annuities;
- (3) Disability, including accident and health, insurance;
- (4) Ocean marine insurance;
- (5) Reinsurance;
- (6) Aircraft insurance;
- (7) ~~Title insurance;~~

1           ~~(8)~~ Workers' compensation and employers' liability insurance,  
2 except that the following provisions shall apply to these lines: §§ 23-66-  
3 206; 23-67-202(1), (4)-(6), and (9)-(12); 23-67-204; 23-67-205; 23-67-208;  
4 23-67-214; 23-67-215(a) and (c); 23-67-216; 23-67-218; 23-67-219; and the  
5 Publisher's Note to Title 23, Chapter 67;

6           ~~(9)~~(8) Motor vehicle service contracts, for so long as the motor  
7 vehicle service contract providers' exposures to their customers are fully  
8 insured by an insurer that is authorized to transact property and casualty  
9 insurance business in this state; or

10           ~~(10)~~(9) Surplus lines insurance.

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12           SECTION 2. Arkansas Code § 23-67-215(b), concerning prohibited  
13 activity of advisory organizations in rate filings, is amended to read as  
14 follows:

15           (b) Advisory Organizations: Prohibited Activity. In addition to the  
16 other prohibitions contained in this chapter, no advisory organization shall,  
17 except as specifically permitted under §§ 23-67-204, 23-67-211, 23-67-212,  
18 ~~and~~ 23-67-216, and § 23-103-418:

19           (1) Compile or distribute recommendations relating to rates that  
20 include expenses, other than loss adjustment expenses, or profit except in  
21 lines designated by the Insurance Commissioner; or

22           (2) File any manual or plan of rates, policy fees, or supporting  
23 information on behalf of an insurer.

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25           SECTION 3. Arkansas Code Title 23, Chapter 103, Subchapter 4, is  
26 amended to add an additional section to read as follows:

27           23-103-418. Rate filing – Advisory organization.

28           (a)(1) If licensed under § 23-67-214, an advisory organization may  
29 make rate filings with the Insurance Commissioner on behalf of title insurers  
30 who are members of the advisory organization.

31           (2)(A) A rate filing under § 23-67-201 et seq. shall be prepared  
32 based on information derived from statistical plans developed by an advisory  
33 organization on a form approved by the commissioner.

34           (B) A rate filing shall not be derived from individual  
35 expenses or from individual loss cost multipliers.

1           (b) Subject to subsection (a) of this section, the commissioner shall  
2 review the rate filings by an advisory organization to determine whether or  
3 not the rate filings meet the requirements of § 23-67-201 et seq. concerning  
4 the regulation of insurance rates.

5           (c) An advisory organization and its officers, directors, or employees  
6 shall not be liable under this section for:

7                   (1) Inspections, audits, or other statutory duties performed  
8 under this section; or

9                   (2) Statements that are made in good faith by the advisory  
10 organization:

11                           (A) In reports or communications concerning risks  
12 submitted to the advisory organization; or

13                           (B) At an administrative hearing conducted under § 23-67-  
14 201 et seq. concerning the regulation of insurance rates.

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17 Referred by Representative Warren

18 Prepared by: ANS/ANS  
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