

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1755

By: Representatives Collier and Arnold

For An Act To Be Entitled

"AN ACT RELATING TO REQUIREMENTS FOR REGISTRATION WITH THE ARKANSAS STATE INSURANCE DEPARTMENT OF CERTAIN COMPANIES PROVIDING THEIR EMPLOYEES BENEFITS UNDER AN ERISA COVERED EMPLOYEE WELFARE BENEFIT PLAN; AND FOR OTHER PURPOSES."

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

SECTION 1. Since the number of companies offering their employees health benefits as self insurers under employee welfare benefit plans regulated by the Employee Retirement Income Security Act of 1974, 29 USC §1001 et seq., is increasing and since the number of insurance companies which are indemnifying these employee welfare benefit plans is increasing, there is a need for procedures at the state level to assure the citizens of this state that any employee welfare benefit plan which is indemnified by any insurance company is providing the citizens of this state who are employed by these companies all the insurance benefits to which they are entitled.

SECTION 2. In this Act, unless the context otherwise requires:

(1) "Catastrophic loss" means any contract of insurance which provides for indemnification of claims made by plan participants in the amount of \$25,000 or more per individual participant or an accumulated loss in any one plan contract year in the amount of \$150,000 or more for the plan.

(2) "Employee welfare benefit plan" means an employee welfare benefit plan as defined by the Employee Retirement Income Security Act of 1974, 29 USC §1002.

SECTION 3. (a) Each employee welfare benefit plan which purchases a contract of insurance which provides for indemnification of claims made by plan participants, except in the event of a catastrophic loss, who are citi-

zens of the state of Arkansas shall register annually with the Arkansas State Insurance Department in the manner and on the forms prescribed by the Department.

(b) The registration requirements of this Act shall include, but not be limited to, the following:

(1) The employer's name and insurance federal employer identification number;

(2) The total number of employees covered by the employee welfare benefit plan;

(3) The size of the insurance reserve fund under such plan;

(4) An attached copy of insurance benefits provided to employees and their dependents under such plan;

(5) An attached copy of any indemnity supplemental insurance that insures the plan benefits, with disclosure of the point at which the indemnity insurance begins coverage of those plan benefits.

(c) Registrations shall initially be filed and received in the offices of the Arkansas State Insurance Department no later than midnight of the 31st day of January, 1990, and no later than midnight of the 31st day of January of each year thereafter.

SECTION 4. (a) The Arkansas State Insurance Department shall promulgate necessary and appropriate rules and regulations pursuant to the Arkansas Administrative Procedures Act, Arkansas Code §§25-15-201 et seq., to implement the effect and intent of this Act.

(b) The Arkansas State Insurance Department shall have the authority to prescribe by rule and regulation the forms and the manner of registration required by this Act.

SECTION 5. Any employee welfare benefit plan that violates the provisions of this Act shall be subject to a fine of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each violation. Each year that a plan fails to register in accordance with this Act shall constitute a separate violation.

SECTION 6. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code

Revision Commission shall incorporate the same in the Code.

SECTION 7. All laws and parts of laws in conflict with this Act are hereby repealed.