

State of Arkansas

77th General Assembly

Regular Session, 1989

H.C.R.

1042

By: Representatives Hogue, Goodwin, Teague,
Beatty, Balton

HOUSE CONCURRENT RESOLUTION

TO CREATE THE LIABILITY INSURANCE STUDY COMMISSION TO MAKE
A STUDY OF LIABILITY INSURANCE LAWS AND REGULATIONS AND ALL
OTHER MATTERS RELATING TO LIABILITY INSURANCE, THE
AVAILABILITY THEREOF AND THE COST OF SUCH INSURANCE TO
RESIDENTS OF THIS STATE.

WHEREAS, liability insurance is an absolute necessity for persons and
entities in certain businesses and professions and for many individuals; and

WHEREAS, the cost of liability insurance is almost prohibitive for
persons and entities engaging in certain businesses and professions and for
persons living on low and fixed incomes; and

WHEREAS, it would appear that an in-depth study of the present laws and
regulations relating to liability insurance should disclose possible changes
in laws, regulations and insurance practices which would result in increased
availability of liability insurance at more affordable costs through greater
competition and improvement of the liability insurance business climate,

NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE SEVENTY-SEVENTH GENERAL
ASSEMBLY OF THE STATE OF ARKANSAS, THE SENATE CONCURRING THEREIN:

SECTION 1. There is hereby created the Liability Insurance Study
Commission which shall be composed of sixteen (16) members to be appointed in
the manner and to represent various interests as follows:

(a) Two (2) members of the House of Representatives to be appointed by
the Speaker of the House, one (1) of whom shall be a defendant lawyer;

(b) Two (2) members of the Senate, appointed by the President Pro Tem,
one (1) of whom shall be a plaintiff lawyer;

- (c) One (1) member appointed by the Governor;
- (d) One (1) member recommended by the Associated Industries of Arkansas;
- (e) One (1) member recommended by the National Federation of Independent Business;
- (f) One (1) member recommended by the Arkansas Medical Society;
- (g) One (1) member recommended by the Arkansas Hospital Association;
- (h) One (1) representative from the insurance industry representing agents recommended by the Independent Insurance Agents of Arkansas;
- (i) One (1) representative from the insurance industry representing companies, recommended by the American Insurance Association;
- (j) One (1) member who is a senior citizen recommended by the American Association of Retired Persons (AARP);
- (k) One (1) minority member appointed by the racial minority members of the Arkansas House and the Arkansas Senate;
- (l) One (1) member representing agri-business recommended by the Arkansas Farm Bureau Federation;
- (m) The Commissioner of Insurance or the Commissioner's designee; and
- (n) The Chairman of the Small Business Council, an affiliate of the State Chamber of Commerce, or his designee.

The members recommended by business and professional associations as provided in subsections (d), (e), (f), (g), (h), (i), (j), and (l) shall be appointed by the Speaker of the House.

SECTION 2. Members of the commission, other than legislative members, shall serve without compensation but may be reimbursed for expenses and travel in the maximum amounts prescribed by the Department of Finance and Administration for state employees. Legislative members of the commission shall be entitled to receive per diem and mileage at the same rate as they receive for attending legislative joint interim committee meetings.

The commission shall elect its chairman, vice-chairman and secretary; and shall have the authority to employ an executive director and approve expenditure of funds required to conduct the study and prepare the report.

SECTION 3. The Bureau of Legislative Research shall provide staff support services to the commission created herein.

SECTION 4. The Liability Insurance Study Commission shall make an in-depth study of the present laws and regulations in Arkansas, and in other states if the commission so desires, relating to liability insurance, the practices of the various insurance companies authorized to do business in this state with respect to the establishment of premium rates for liability insurance for persons in various risk areas and levels, and such other matters relating to liability insurance as the commission shall deem appropriate, for the purpose of determining the need for revision in such laws, regulations and practices in order to increase the availability of liability insurance in Arkansas, to encourage competition and to improve the business climate for insurers writing liability coverage and to thereby make liability insurance more available and affordable for Arkansas individuals and businesses. The commission shall submit its report and recommendations together with any proposed legislation to the Joint Interim Committee on Agriculture and Economic Development and the Joint Interim Committee on Judiciary on or before July 1, 1990. Copies of the report are to be forwarded to the Governor, Speaker of the House, President Pro Tem of the Senate, Chairman of the Agriculture and Economic Development Committee of the House, Chairman of the Agriculture, Economic and Industrial Resources Committee of the Senate, Chairman of the Insurance and Commerce Committee of the Senate and Chairman of the Insurance and Commerce Committee of the House.