

State of Arkansas

77th General Assembly

A Bill

HOUSE BILL

Third Extraordinary Session, 1989

CALL ITEM 751056

By: Representative Hogue

For An Act To Be Entitled

"AN ACT 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; AND FOR OTHER PURPOSES."

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

SECTION 1. There is hereby created the Liability Insurance Study Commission which shall be composed of eighteen (18) members to be appointed in the manner and to represent various interests as follows:

(a) The Chairman of the Senate Insurance and Commerce Committee and the Chairman of the House Insurance and Commerce Committee:

(b) 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;

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

(d) One (1) member appointed by the Governor;

(e) One (1) member recommended by the Associated Industries of Arkansas;

(f) One (1) member recommended by the National Federation of Independent Business;

(g) One (1) member recommended by the Arkansas Medical Society;

(h) One (1) member recommended by the Arkansas Hospital Association;

(i) One (1) representative from the insurance industry representing agents recommended by the Independent Insurance Agents of Arkansas;

(j) One (1) representative from the insurance industry representing companies, recommended by the American Insurance Association;

(k) One (1) member who is a senior citizen recommended by the American Association of Retired Persons (AARP);

(l) One (1) minority member appointed by the racial minority members of the Arkansas House and the Arkansas Senate;

(m) One (1) member representing agri-business recommended by the Arkansas Farm Bureau Federation;

(n) The Commissioner of Insurance or the Commissioner's designee; and

(o) 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 (e), (f), (g), (h), (i), (j), (l), and (m) shall be appointed by the Speaker of the House.

SECTION 2. 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. Such per diem and mileage shall be paid from funds appropriated in Section 5 of Act 116 of the First Extraordinary Session of 1989 for payment of per diem and mileage of joint interim committees.

The commission shall elect from its membership a chairman and vice chairman.

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, and the committee shall terminate when the report is filed. 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.

SECTION 5. 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 6. All laws and parts of laws in conflict with this act are hereby repealed.