

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H2/15/99

A Bill

HOUSE BILL 1271

5 By: Representative Teague
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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 23-64-204 TO ADD
10 REQUIREMENTS FOR THE INVESTIGATION BY SPONSORS OF THE
11 APPLICANT FOR AN INSURANCE AGENT OR BROKER LICENSE;
12 AND FOR OTHER PURPOSES. "
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Subtitle

14 "ADDS REQUIREMENTS FOR THE INVESTIGATION
15 BY SPONSORS OF APPLICANT FOR AN
16 INSURANCE AGENT OR BROKER LICENSE. "
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code 23-64-204 is hereby amended by adding new
23 subsection (g) at the end of the existing subsection, immediately following
24 current subsection (f), to read as follows:

25 "(g)(1) As to any application or request for appointment by an insurer
26 or company to be added to the license obtained by an individual agent, who has
27 had no previous appointments on his Arkansas license prior to this request,
28 the commissioner shall require that the insurer has conducted or secured at
29 its expense an investigation as to the applicant's identity, residence,
30 experience, or instruction as to the kinds of insurance to be transacted, and
31 as to the agent's character, financial condition, and financial history. This
32 requirement shall not be applied to any individual requesting a renewal
33 license; or requesting his second or subsequent insurer appointments added
34 after the first-time license or appointment.

35 (2) The investigation shall include, at a minimum, the following
36 information disclosed by such investigation:

1 (A) Whether the applicant has been convicted of a felony,
2 and, if so, the date and nature of the conviction, the name and location of
3 the court, and the penalty imposed or other disposition of the case, for
4 review in compliance with the provisions of Arkansas Code 23-66-502(c) and
5 other applicable state or federal laws;

6 (B) Whether, at the time of the application, the agent or
7 applicant is a named party in any lawsuit, and if so, the style of the
8 lawsuit, a brief description of the litigation, and the name and location of
9 the court;

10 (C) Whether a judgment for monetary damages has been entered
11 against the applicant within the last five (5) years, and, if so, the date of
12 the judgment, the amount of the judgment, whether the judgment has been paid
13 or otherwise satisfied, the name and location of the court, and the style of
14 the case; and

15 (D) Such other information as the commissioner shall
16 require.

17 (3) The forms and the requirements of this subsection shall not apply
18 to:

19 (A) Any limited or restricted license referenced in Arkansas 23-
20 64-205(f); any limited or restricted license which the commissioner may
21 exempt; or any temporary license the commissioner may issue;

22 (B) Corporations, partnerships, limited liability companies and
23 partnerships licensed as insurance agencies under this chapter.

24 (h) The requirements for broker background checks of subdivisions
25 (g)(1) and (2) of this section shall apply to each first-time original license
26 applicant for a broker's license in this state. However, those requirements
27 shall not be required for any renewal broker's license; and all filings shall
28 exclude appointment forms for first or renewal licenses for brokers."

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30 SECTION 2. All provisions of this act of a general and permanent nature
31 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
32 Revision Commission shall incorporate the same in the Code.

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34 SECTION 3. If any provision of this act or the application thereof to
35 any person or circumstance is held invalid, such invalidity shall not affect
36 other provisions or applications of the act which can be given effect without

1 the invalid provision or application, and to this end the provisions of this
2 act are declared to be severable.

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4 SECTION 4. All laws and parts of laws in conflict with this act are
5 hereby repealed.

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/s/ Teague

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