

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

A Bill

HOUSE BILL 1328

4
5 By: Representative Magnus
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For An Act To Be Entitled

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9 "AN ACT TO AMEND ARKANSAS CODE 23-63-216 (a)(1) TO
10 CLARIFY THE PROPER NAIC FORM OF INSURER ANNUAL REPORTS
11 WHICH THE INSURANCE COMMISSIONER PRESCRIBES FOR USE;
12 TO AMEND ARKANSAS CODE 23-76-113 AS TO HEALTH
13 MAINTENANCE ORGANIZATIONS (HMOs); TO CLARIFY THE
14 REQUIREMENTS FOR ANNUAL AND QUARTERLY FINANCIAL REPORT
15 FILINGS FROM HMOs ON NAIC FORMS PRESCRIBED FOR USE BY
16 THE INSURANCE COMMISSIONER, AND FOR OTHER PURPOSES."

Subtitle

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19 "TO AMEND ARKANSAS CODE 23-63-216 AND 23-
20 76-113 AS TO INSURER AND HMO ANNUAL AND
21 QUARTERLY FINANCIAL REPORTS ON NAIC
22 FORMS FOR FILING WITH THE INSURANCE
23 COMMISSIONER."

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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code 23-63-216(a)(1) is hereby amended to read as
28 follows:

29 "(1) The statement shall be the appropriate and most recent National
30 Association of Insurance Commissioners' ~~annual statement blank~~;
31 'Annual Statement Blank for Life and Accident and Health'; or
32 'Property and Casualty Annual Statement Blank'; or
33 'Title Insurance Annual Statement Blank'; or
34 'Hospital, Medical and Dental Service or Indemnity Corporations Annual
35 Statement Blank'; or
36 'Fraternal Annual Statement Blank'; or

1 Other NAIC convention blank as appropriate;
 2 which shall be prepared in accordance with the most recent and appropriate,
 3 companion National Association of Insurance Commissioners' 'Annual Statement
 4 Instructions' instructions handbook and follow those accounting practices and
 5 procedures prescribed by the most recent and appropriate, companion National
 6 Association of Insurance Commissioners' Accounting Practices and Procedures
 7 Manual."

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 9 SECTION 2. Ark. Code Ann. 23-76-113 is hereby amended to read as
 10 follows:

11 "23-76-113. Annual report- and Quarterly Report.

12 (a) Every health maintenance organization (HMO) shall annually, on or
 13 before March 1st, file a report verified by at least two (2) principal
 14 officers with the commissioner, with a copy to the Director of the Department
 15 of Health, covering the preceding calendar year.

16 (b) The report shall be on forms prescribed by the commissioner
 17 ~~and shall include:~~ For the report to be filed March 1, 2000, and annually
 18 thereafter, the annual report prescribed by the commissioner shall be the
 19 appropriate and most recent National Association of Insurance Commissioners'
 20 'Annual Statement Blank for Health Maintenance Organizations', which shall be
 21 prepared in accordance with the National Association of Insurance
 22 Commissioners' 'Annual Statement Instructions for Health Maintenance
 23 Organizations'; and shall follow those accounting practices and procedures
 24 prescribed by the most recent National Association of Insurance Commissioners'
 25 'Accounting Practices and Procedures Manual for Health Maintenance
 26 Organizations'. Each authorized HMO shall furnish all information as called
 27 for by the National Association of Insurance Commissioners' 'Annual Statement
 28 Blank for Health Maintenance Organizations'; further it shall be verified by
 29 oath or affirmation of the health maintenance organization's president or vice
 30 president and secretary or actuary. The commissioner shall furnish to each
 31 domestic health maintenance organization two (2) copies of the forms on which
 32 the annual statement is to be made. The annual report shall include:

33 (1) ~~A financial statement of the organization including its~~
 34 ~~balance sheet and receipts and disbursements for the preceding year~~ An annual
 35 audited financial report certified by an independent certified public
 36 accountant;

1 (2) Any material changes in the information submitted pursuant to
2 § 23-76-107(c);

3 (3) The number of persons enrolled during the year, the number of
4 enrollees as of the end of the year, and the number of enrollments terminated
5 during the year;

6 (4) A summary of information compiled pursuant to § 23-76-108 in
7 such form as required by the Director of the Department of Health; and

8 (5) Any other information, on an annual, quarterly or more
9 frequent basis as the commissioner shall prescribe, relating to the
10 performance of the health maintenance organization which is necessary to
11 enable the commissioner to carry out his duties under this chapter.

12 (c) Any health maintenance organization that fails to file the annual,
13 quarterly or any required financial or other report when due ~~shall~~ may be
14 subject to a penalty of one hundred dollars (\$100) for each day of delinquency
15 in the commissioner's discretion, or unless the penalty is waived by the
16 commissioner upon a showing of good cause by the organization.

17 (d) Beginning on and after January 1, 2000, each authorized health
18 maintenance organization (HMO) shall prepare and file with the commissioner a
19 quarterly financial report on forms and at such times as shall be prescribed
20 by the commissioner. The quarterly financial report shall be the appropriate
21 and most recent National Association of Insurance Commissioners' (NAIC)
22 'Quarterly Statement Blank for Health Maintenance Organizations', which shall
23 be prepared in accordance with the National Association of Insurance
24 Commissioners' 'Quarterly Statement Instructions for Health Maintenance
25 Organizations'; and shall follow those accounting procedures and practices
26 prescribed by the National Association of Insurance Commissioners' 'Accounting
27 Practices and Procedures Manual for Health Maintenance Organizations'. The
28 quarterly statement shall be verified by the officers of the HMO as required
29 by the NAIC convention blank."

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31 SECTION 3. All provisions of this Act of a general and permanent nature
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
33 Revision Commission shall incorporate the same in the Code.

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36 SECTION 4. If any provision of this Act or the application thereof to

1 any person or circumstance is held invalid, such invalidity shall not affect
2 other provisions or applications of the Act which can be given effect without
3 the invalid provision or application, and to this end the provisions of this
4 Act are declared to be severable.

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

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