

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

A Bill

SENATE BILL 126

4
5 By: Senator Dowd
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For An Act To Be Entitled

9 "AN ACT TO AMEND THE ARKANSAS INSURANCE CODE TO PERMIT
10 FULL UTILIZATION OF THE EXPERTISE OF THE COMMISSIONER
11 TO INVESTIGATE AND DISCOVER FRAUDULENT INSURANCE ACTS
12 MORE EFFECTIVELY, HALT FRAUDULENT INSURANCE ACTS AND
13 ASSIST AND RECEIVE ASSISTANCE FROM STATE, LOCAL, AND
14 FEDERAL LAW ENFORCEMENT AND REGULATORY AGENCIES IN
15 ENFORCING LAWS PROHIBITING FRAUDULENT INSURANCE ACTS;
16 AND FOR OTHER PURPOSES. "

Subtitle

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18 "AMENDING THE INSURANCE CODE TO MORE
19 EFFECTIVELY HALT FRAUDULENT INSURANCE
20 ACTS. "
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 Section 1. Arkansas Code 23-66-502 is hereby amended to read as
27 follows:

28 "23-66-502. Fraudulent insurance acts, interferences, and participation
29 of convicted felons prohibited.

30 (a) A person shall not commit a fraudulent insurance act.

31 (b) A person shall not knowingly or intentionally interfere with the
32 enforcement of the provisions of this subchapter or investigations of
33 suspected or actual violations of this subchapter.

34 (c)(1) A person convicted of a felony involving dishonesty or breach of
35 trust shall not participate in the business of insurance unless the person was
36 pardoned, the conviction was expunged, or the person has obtained the written

1 consent of the commissioner pursuant to subsection (d) of this section.

2 (2) A person in the business of insurance shall not knowingly or
 3 intentionally permit a person convicted of a felony involving dishonesty or
 4 breach of trust to participate in the business of insurance unless the person
 5 was pardoned, the conviction was expunged, or the person has obtained the
 6 written consent of the commissioner pursuant to subsection (d) of this
 7 section.

8 (d)(1) A person described in subsection (c)(1) of this section may
 9 participate in the business of insurance if written consent is obtained from
 10 the commissioner who, in his sole discretion, may grant such written consent
 11 upon a finding that to do so would not endanger the public health, safety, and
 12 welfare.

13 (2) Notwithstanding any other provision in this subchapter, a
 14 person convicted in this state of a felony involving a fraudulent insurance
 15 act, dishonesty or breach of trust after having obtained the written consent
 16 of the commissioner under this subsection shall have the fine and term of
 17 imprisonment for such a class of felony under the Arkansas Criminal Code
 18 enhanced to that of the next highest classification and shall be permanently
 19 disqualified from participating in the business of insurance in this state.
 20 If after obtaining the written consent of the commissioner under this
 21 subsection, a person is convicted in a foreign jurisdiction of a felony
 22 involving a fraudulent insurance act, dishonesty or breach of trust such
 23 person shall be permanently disqualified from participating in the business of
 24 insurance in this state."

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

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 30 SECTION 3. If any provision of this act or the application thereof to
 31 any person or circumstance is held invalid, such invalidity shall not affect
 32 other provisions or applications of the act which can be given effect without
 33 the invalid provision or application, and to this end the provisions of this
 34 act are declared to be severable.

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 36 SECTION 4. All laws and parts of laws in conflict with this act are

1 hereby repeal ed.

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