

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H2/5/01

A Bill

HOUSE BILL 1343

5 By: Representative Teague
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 23-65-312 TO DEEM THAT
10 AN UNAUTHORIZED SURPLUS LINES INSURER HAS RECEIVED A
11 PREMIUM WHENEVER IT IS RECEIVED BY AN INSURANCE
12 PRODUCER AND THE COVERAGE IS PLACED THROUGH A SURPLUS
13 LINES BROKER WITH THE UNAUTHORIZED SURPLUS LINES
14 INSURER; AND FOR OTHER PURPOSES.
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Subtitle

16 AN UNAUTHORIZED INSURER HAS RECEIVED A
17 PREMIUM WHENEVER IT IS RECEIVED BY AN
18 INSURANCE PRODUCER AND THE COVERAGE IS
19 PLACED THROUGH A SURPLUS LINES BROKER
20 WITH AN UNAUTHORIZED SURPLUS LINES
21 INSURER.
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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 23-65-312 is amended to read as follows:
28 23-65-312. Liability of insurer as to losses and unearned premiums.

29 (a) As to a surplus lines risk which has been ~~assumed~~ accepted by an
30 unauthorized insurer pursuant to this surplus lines insurance law, and if the
31 premium thereon has been received by either the surplus lines broker who
32 placed the insurance or the insurance producer, as defined in § 23-64-502(d),
33 that placed the insurance with the surplus lines broker, in all questions
34 thereafter arising under the coverage as between the insurer and the insured,
35 the insurer shall be deemed to have received the premium due to it for the
36 coverage. The insurer shall be liable to the insured as to losses covered by

1 the insurance and for unearned premiums which may become payable to the
2 insured upon cancellation of the insurance, whether or not in fact the broker
3 is indebted to the insurer with respect to the insurance or for any other
4 cause.

5 (b) Each unauthorized insurer ~~assuming~~ accepting a surplus lines direct
6 risk under this surplus lines insurance law shall be deemed thereby to have
7 subjected itself to the terms of this section.

8 (c) Nothing in this section shall deprive the surplus lines insurer of
9 any right of action against the surplus lines broker or the insurance
10 producer.

11 /s/ Teague

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