

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: S3/26/01

A Bill

SENATE BILL 497

5 By: Senators T. Smith, P. Malone, Riggs, Faris
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 23-87-117

10 PERTAINING TO THE DEFINITION OF COMPENSATION AS USED IN THE MODEL ACT FOR
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Subtitle

12
13 AMEND ARKANSAS CODE 23-87-117 PERTAINING
14 TO THE DEFINITION OF COMPENSATION AS
15 USED IN THE MODEL ACT FOR THE REGULATION
16 OF CREDIT LIFE INSURANCE AND CREDIT
17 DISABILITY INSURANCE.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 *SECTION 1. Arkansas Code 23-87-117(a) and (b) are amended to read as*
25 *follows:*

26 *(a) In order to assure that the premium rates charged or to be charged*
27 *for credit life or credit disability insurance are reasonable in relation to*
28 *benefits provided, the Insurance Commissioner may, after due notice and*
29 *hearing, issue rules and regulations establishing the maximum compensation*
30 *payable to an agent, a broker, or a creditor, or any affiliate, associate,*
31 *subsidiary, director, officer, employee, or other representative of or for*
32 *the creditor, for writing or handling the insurance, including commission*
33 *which shall be no less than forty percent (40%) of the premium, dividends,*
34 *premium adjustments, policy writing fees, underwriting gain, or any*
35 *compensation or remuneration in whatever form.*

36 (b) Provided, the term "compensation" as defined and used herein

1 shall not be deemed to include reinsurance premiums paid to, or underwriting
2 profits generated by, an insurer or reinsurer owned by, controlled by, or
3 under common control with a credit insurer, an agent, broker, creditor, group
4 of creditors, or any affiliate, associate, subsidiary, director, officer,
5 employee, or other representative of, or for such credit insurer, creditor,
6 or group of creditors, ~~on accounts in existence with such insurer or~~
7 ~~reinsurer on January 17, 1989, which have been registered with the~~
8 ~~commissioner within twenty (20) days of July 3, 1989, in accordance with~~
9 ~~pertinent rules and regulations promulgated by the commissioner.~~

10 ~~(c) Provided further, any and all payments to all direct and indirect~~
11 ~~successors in interests whether through purchase, gift, devise, or otherwise,~~
12 ~~related to all accounts registered under this section shall also not be~~
13 ~~deemed compensation.~~

14 */s/ T. Smith*

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