## 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	As Engrossed: H3/7/05			
2	85th General Assembly	A Bill			
3	Regular Session, 2005		HOUSE BILL	1896	
4					
5	By: Representative J. Hutchinson				
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7					
8		For An Act To Be Entitled			
9	AN ACT	TO REQUIRE THE DIVISION OF LEGISLATIVE	<u> </u>		
10	AUDIT T	O DETERMINE THE SOLVENCY OF AN			
11	ORGANIZ	ATION OFFERING INSURANCE TO CITIES,			
12	COUNTIE	S, SCHOOL BOARDS, AND OTHER PUBLIC			
13	BENEFIC	IARIES; AND FOR OTHER PURPOSES.			
14					
15		Subtitle			
16	REQU	VIRES THE DIVISION OF LEGISLATIVE			
17	AUDI	T TO DETERMINE THE SOLVENCY OF AN			
18	ORGA	NIZATION OFFERING INSURANCE TO			
19	CITI	ES, COUNTIES, SCHOOL BOARDS, AND			
20	OTHE	CR PUBLIC BENEFICIARIES.			
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22					
23	BE IT ENACTED BY THE O	GENERAL ASSEMBLY OF THE STATE OF ARKAN	SAS:		
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25	SECTION 1. Arka	ansas Code Title 23, Chapter 61, Subch	apter l is ame	nded	
26	to add a new section t	to read as follows:			
27	23-61-115. Rev	iew of self-insured insurance programs	<u>•</u>		
28	(a) The self-in	nsured insurance programs shall annual	<u>ly submit its</u>		
29	financial statements	to the Division of Legislative Audit.	The financial	<u>:</u>	
30	statements shall be in	n the format prescribed by the divisio	n. The divisi	on	
31	shall review the reco	rds, accounts, and assets of any entit	y or organizat	<u>ion</u>	
32	that:				
33	(1) Offers health, casualty, property, accident, or life				
34	insurance to public beneficiaries; and				
35	(2) Administers or contracts with a third-party administrator to				
36	administer the review and payment of insurance claims.				

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1	(b) The review by the Division of Legislative Audit shall:		
2	(1) Determine whether any risk pools or other sources of funds		
3	utilized to pay claims to public beneficiaries are solvent and fiscally		
4	sound; and		
5	(2) Occur no less than every two (2) years.		
6	(c) The Division of Legislative Audit shall provide the results of the		
7	review to the chairs of the House Interim Committee on Insurance and Commerce		
8	and the Senate Interim Committee on Insurance and Commerce.		
9	(d) This section shall not apply to any entity or organization that is		
10	subject to examination or review by the Division of Legislative Audit under		
11	other provisions of law.		
12	(e) As used in this section "public beneficiaries" means:		
13	(1) Employees of municipalities, counties, school districts, or		
14	other political subdivisions of the State of Arkansas;		
15	(2) Municipalities, counties, school districts, or other		
16	political subdivisions of the State of Arkansas;		
17	(3) Members or employees of Arkansas public school boards;		
18	(4) Employees of Arkansas educational cooperatives; and		
19	(5) Arkansas public school boards or educational cooperatives.		
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21	/s/ J. Hutchinson		
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