

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 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H3/10/05

A Bill

HOUSE BILL 1956

5 By: Representative T. Hutchinson
6
7

For An Act To Be Entitled

9 AN ACT TO EXCLUDE DEBT CANCELLATION AGREEMENTS
10 FROM THE DEFINITION OF INSURANCE UNDER THE
11 ARKANSAS INSURANCE CODE; AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT TO EXCLUDE DEBT CANCELLATION
14 AGREEMENTS FROM THE DEFINITION OF
15 INSURANCE UNDER THE ARKANSAS INSURANCE
16 CODE.
17
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code § 23-60-102(1), concerning the definition of
23 "insurance" under the Arkansas Insurance Code, is amended to read as follows:

24 (1)(A)(i) "Insurance" is any agreement, contract, or other
25 transaction whereby one party, the "insurer", is obligated to confer benefit
26 of pecuniary value upon another party, the "insured" or "beneficiary",
27 dependent upon the happening of a fortuitous event in which the insured or
28 beneficiary has, or is expected to have at the time of such happening, a
29 material interest which will be adversely affected by the happening of such
30 an event.

31 (ii) A "fortuitous event" means any occurrence or
32 failure to occur which is, or is assumed by the parties to be, to a
33 substantial extent beyond the control of either party.

34 (B) "Insurance" shall, for purposes of subtitle 3 of this
35 title, be deemed to include "annuities", which are agreements by insurers to
36 make periodic payments that continue during the survival of the measuring



1 life or lives under the agreements or for a specified period.

2 (C) "Reinsurance" is a contract under which an originating
3 insurer, called the "ceding" insurer, procures insurance for itself in
4 another insurer, called the "assuming" insurer or reinsurer, with respect to
5 part or all of an insurance risk of the originating insurer.

6 (D) "Insurance" shall not include a debt cancellation
7 agreement in which a lender agrees for a fee or other consideration to
8 forgive or waive collection of a debt upon the happening of a fortuitous
9 event, but shall include credit insurance in which a third party, other than
10 the lender and borrower, ensures the payment of the debt upon the happening
11 of a fortuitous event;

12
13 /s/ T. Hutchinson
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36