

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019

A Bill

SENATE BILL 396

4
5 By: Senator Rapert

For An Act To Be Entitled

8 AN ACT TO AMEND THE STATUTES CONCERNING THE BOOKS AND
9 RECORDS REQUIREMENTS UNDER THE ARKANSAS INSURANCE
10 CODE; TO MODIFY THE TRADE PRACTICES ACT UNDER THE
11 ARKANSAS INSURANCE CODE; AND FOR OTHER PURPOSES.

Subtitle

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14 TO AMEND THE STATUTES CONCERNING THE
15 BOOKS AND RECORDS REQUIREMENTS UNDER THE
16 ARKANSAS INSURANCE CODE; AND TO MODIFY
17 THE TRADE PRACTICES ACT UNDER THE
18 ARKANSAS INSURANCE CODE.
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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 § 23-63-216, concerning the requirements for
25 books and records of an insured, is amended to add an additional subsection
26 to read as follows:

27 (f)(1) An insurer or a related entity licensed to do business in this
28 state shall maintain the insurer's or the related entity's books, records,
29 and documents in a manner that allows the commissioner to readily ascertain
30 during an examination the insurer's or the related entity's compliance with
31 the insurance laws of this state, rules, and the standards outlined in the
32 most recent and appropriate companion National Association of Insurance
33 Commissioners Market Conduct Examiners Handbook, including without limitation
34 company operations and management, policyholder service, marketing, producer
35 licensing, underwriting, rating, complaint handling, grievance handling, and
36 claims practices.



1 (2) A health insurer or a related entity shall maintain the
 2 health insurer's or the related entity's books, records, and documents in a
 3 manner that allows the commissioner to readily ascertain during a market
 4 conduct examination the health insurer's or the related entity's practices
 5 regarding network adequacy, utilization review, quality assessment and
 6 improvement, and provider credentialing.

7 (3) The records described under subdivisions (f)(1) and (2) of
 8 this section shall be retained for the current year and the five (5) previous
 9 calendar years.

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 11 SECTION 2. Arkansas Code § 23-66-206(4), concerning the definition of
 12 "failure to maintain complaint handling procedures", is amended to read as
 13 follows:

14 (4)(A) "Failure to maintain complaint handling procedures" means
 15 failing to adopt and implement reasonable standards for the prompt handling
 16 of complaints received by the person from insureds or claimants, or from the
 17 Insurance Commissioner on behalf of insureds or claimants, and failing to
 18 keep a record ~~thereof~~ of the complaints received.

19 (B) A complete complaints register of all complaints that
 20 the person has received ~~since the date of its last examination~~ shall be
 21 maintained for the current year and the five (5) previous calendar years.

22 This complaints register shall indicate:

- 23 (i) The total number of complaints;
 24 (ii) The classification of complaints by line of
 25 insurance;
 26 (iii) The nature of each complaint;
 27 (iv) The disposition of each complaint;
 28 (v) The time it took to process each complaint; and
 29 (vi) Such other information as the commissioner may
 30 reasonably require by way of regulations.

31 (C) ~~For purposes of~~ As used in this subdivision (4), "complaint"
 32 means any written communication primarily expressing a grievance;

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