1	State of Arkansas	As Engrossed: \$3/4/19	
2	92nd General Assembly	A Bill	
3	Regular Session, 2019		SENATE BILL 396
4			
5	By: Senator Rapert		
6			
7		For An Act To Be Entitled	
8	AN ACT TO	AMEND THE STATUTES CONCERNING THE BOOKS	S AND
9	RECORDS RE	QUIREMENTS UNDER THE ARKANSAS INSURANCI	3
10	CODE; TO M	ODIFY THE TRADE PRACTICES ACT UNDER TH	Ε
11	ARKANSAS I	NSURANCE CODE; AND FOR OTHER PURPOSES.	
12			
13			
14		Subtitle	
15	TO AM	MEND THE STATUTES CONCERNING THE	
16	BOOKS	S AND RECORDS REQUIREMENTS UNDER THE	
17	ARKAN	ISAS INSURANCE CODE; AND TO MODIFY	
18	THE T	RADE PRACTICES ACT UNDER THE	
19	ARKAN	ISAS INSURANCE CODE.	
20			
21			
22	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF ARKANSA	AS:
23			
24	SECTION 1. Arka	nsas Code § 23-63-216, concerning the	requirements for
25	books and records of a	n insured, is amended to add an addition	onal subsection
26	to read as follows:		
27	(f)(l) An insur	er or a related entity licensed to do l	ousiness in this
28	state shall maintain t	he insurer's or the related entity's bo	ooks, records,
29	and documents in a man	ner that allows the commissioner to rea	adily ascertain
30	during an examination	the insurer's or the related entity's o	compliance with
31	the insurance laws of	this state, rules, and the standards or	ıtlined in the
32	most recent and approp	riate companion National Association of	<u>Insurance</u>
33	Commissioners Market C	onduct Examiners Handbook, including w	ithout limitation
34	company operations and	management, policyholder service, mark	keting, producer
35	licensing, underwritin	g, rating, complaint handling, grievand	ce handling, and
36	claims practices.		

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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 plus five (5) calendar		
9	years.		
10			
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" mean		
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 plus five (5) calendar years. This		
22	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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35	/s/Rapert		
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