

State of Arkansas As Engrossed: S3/15/23 H3/30/23

94th General Assembly

A Bill

Regular Session, 2023

SENATE BILL 324

By: Senator J. Dismang

By: Representative L. Johnson

For An Act To Be Entitled

AN ACT TO EXEMPT CERTAIN NONPROFIT AGRICULTURAL
MEMBERSHIP ORGANIZATIONS FROM INSURANCE REGULATION;
AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT CERTAIN NONPROFIT AGRICULTURAL
MEMBERSHIP ORGANIZATIONS FROM INSURANCE
REGULATION.

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

SECTION 1. Arkansas Code § 23-60-104(a), concerning the applicability
of the Arkansas Insurance Code and rules promulgated by the Insurance
Commissioner under the Arkansas Insurance Code, is amended to add an
additional subdivision to read as follows:

(4)(A) A nonprofit agricultural membership organization.

(B) Any risk arising out of a contract for coverage for
healthcare services between a member of a nonprofit agricultural membership
organization and a nonprofit agricultural membership organization, or its
affiliate, may be reinsured by an insurer that is authorized to transact
insurance in this state.

(C) A nonprofit agricultural membership organization shall
pay a levy of the insurance premium tax to the same extent as a domestic
insurer under § 26-57-604.

SECTION 2. Arkansas Code § 23-60-104(b), concerning definitions used



1 for exceptions to the Arkansas Insurance Code, is amended to add an
2 additional subdivision to read as follows:

3 (3) "Nonprofit agricultural membership organization" means an
4 organization that:

5 (A) Is incorporated under the laws of this state;

6 (B) Has a physical presence in every county of this state;

7 (C) Has a purpose of promoting the interests of farmers or
8 their affiliates in this state;

9 (D) Provides coverage for healthcare services for members
10 and their families pursuant to contracts between members and the organization
11 or its affiliates; and

12 (E)(i) Has a designated individual who, in consultation
13 with the State Insurance Department, operates as an ombudsman to address
14 concerns from insured members regarding the insurance policy.

15 (ii) If a complaint is received by the department
16 from insured members of the nonprofit agricultural membership organization,
17 then the department shall forward the complaints to the designated individual
18 operating as the nonprofit agricultural membership organization's ombudsman
19 under subdivision (b)(3)(E)(i) of this section.

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21 SECTION 3. Arkansas Code § 23-76-103(c), concerning the applicability
22 of law concerning hospital and medical service corporations, is amended to
23 read as follows:

24 (c) This chapter does not apply to a:

25 (1) Healthcare sharing ministry as defined in § 23-60-104(b); ~~or~~

26 (2) Direct healthcare agreement as defined in § 23-60-104(b); ~~or~~

27 (3) Nonprofit agricultural membership organization as defined in
28 § 23-60-104.

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30 /s/J. Dismang
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