

Stricken language would be deleted from and underlined language would be added to present law.
Act 397 of the Regular Session

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: S3/10/21
A Bill

HOUSE BILL 1239

By: Representative Lowery
By: Senators M. Pitsch, J. Hendren

For An Act To Be Entitled

AN ACT TO REMOVE THE PRELICENSURE EDUCATIONAL REQUIREMENTS EXEMPTION FOR AN INSURANCE ADJUSTER; TO REQUIRE A NONRESIDENT INSURANCE PRODUCER, ADJUSTER, OR CONSULTANT TO MAINTAIN A LICENSE IN GOOD STANDING IN THE LICENSEE'S HOME STATE; AND FOR OTHER PURPOSES.

Subtitle

TO REMOVE THE PRELICENSURE EDUCATIONAL REQUIREMENTS EXEMPTION FOR AN INSURANCE ADJUSTER; TO REQUIRE A NONRESIDENT INSURANCE PRODUCER, ADJUSTER, OR CONSULTANT TO MAINTAIN A LICENSE IN GOOD STANDING IN THE LICENSEE'S HOME STATE.

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

SECTION 1. Arkansas Code § 23-64-202(b)(2)(A)(iii)(d), concerning exemption from prelicensing education, is amended to read as follows:

(d) ~~Applicants for adjuster and consultant licenses are~~ An applicant for an insurance consultant license is exempt from prelicensing education, as are nonresident applicants for producer and adjuster licenses from states that engage in reciprocal licensing with Arkansas.

SECTION 2. Arkansas Code § 23-64-216(a), concerning the suspension or revocation of license of an insurance producer, adjuster, or insurance



consultant, is amended to read as follows:

(a) The Insurance Commissioner may suspend for up to thirty-six (36) months, may revoke or refuse to continue, or may place in probationary status any license issued by him or her if after notice to the licensee and after hearing, unless a hearing is exempted under subdivision (a)(2)(I)(iii) of this section, he or she finds any one (1) or more of the following causes exist:

(1) In the case of an insurance producer or broker licensed as an insurance producer, for any of the causes under § 23-64-512; or

(2) In the case of an adjuster or insurance consultant licensed under this subchapter:

(A) Providing incorrect, misleading, incomplete, or materially untrue information in the license application;

(B) Violating any insurance laws or violating any regulation, subpoena, or order of the ~~commissioner~~ Insurance Commissioner or of another state's insurance commissioner;

(C) Obtaining or attempting to obtain a license through misrepresentation or fraud;

(D) Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business;

(E) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;

(F) Having been convicted of a felony;

(G) Having admitted or been found to have committed any insurance unfair trade practice or fraud;

(H) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;

(I)(i) Having an insurance producer, insurance consultant, or adjuster license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.

(ii) A license of a nonresident insurance producer, adjuster, or insurance consultant whose home state license ceases to be active shall be summarily suspended by the Insurance Commissioner under § 23-64-508(b)(2).

(iii)(a) If summarily suspending the license of a nonresident insurance producer, adjuster, or insurance consultant under subdivision (a)(2)(I)(ii) of this section, the Insurance Commissioner shall provide notice in writing to the address provided to the State Insurance Department by the licensee.

(b) The notice required under subdivision (a)(2)(I)(iii)(a) of this section shall inform the licensee that a hearing may be requested within thirty (30) days of receipt of the notice of suspension;

(J) Forging another's name to an application for insurance or to any document related to an insurance transaction;

(K) Improperly using notes or any other reference material to complete an examination for an insurance license;

(L) Knowingly accepting insurance business from an individual who is not licensed;

(M) Failing to comply with an administrative or court order imposing a child support obligation; or

(N) Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

/s/Lowery

APPROVED: 3/17/21