

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1525

By: Representative G. Hodges

By: Senator J. Dotson

For An Act To Be Entitled

AN ACT TO AMEND THE DEFINITION OF "REBATES" AS USED IN THE BUSINESS OF INSURANCE; TO MODIFY THE MINIMUM THRESHOLD VALUE OF TOKEN GIFTS IN THE BUSINESS OF INSURANCE; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DEFINITION OF "REBATES" AS USED IN THE BUSINESS OF INSURANCE; AND TO MODIFY THE MINIMUM THRESHOLD VALUE OF TOKEN GIFTS IN THE BUSINESS OF INSURANCE.

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

SECTION 1. Arkansas Code § 23-66-206(9), concerning the definition of "rebates" used in the business of insurance, is amended to add an additional subdivision to read as follows:

(C) Token gifts of one hundred dollars (\$100) or less in wholesale value that are used for advertisement purposes are not prohibited under this subdivision (9), including without limitation pens, calendars, notebooks, and other items;

SECTION 2. Arkansas Code § 23-66-308(c), concerning the applicability of the prohibition on rebates, discounts, or abatelements, is amended to read as follows:

(c) This section shall not be construed as prohibiting:

(1) The payment of commissions or other compensation to licensed



agents, brokers, or solicitors;

(2) An insurer from allowing or returning to its participating policyholders, members, or subscribers any dividends, savings, or unabsorbed premium deposits; ~~or~~

(3) A licensed insurance consultant who is also a licensed producer from adjusting or refunding to his or her clients any part of a consulting fee under a prior written agreement with a client paying total annual premiums, for all lines of business, of one hundred thousand dollars (\$100,000) or more based on commissions received by the consultant from insurers; or

(4) Token gifts of one hundred dollars (\$100) or less in wholesale value that are used for advertisement purposes, including without limitation pens, calendars, notebooks, and other items.

APPROVED: 3/21/23