

Stricken language would be deleted from and underlined language would be added to present law.
Act 626 of the Regular Session

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: S3/15/23 H3/30/23
A Bill

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



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

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

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

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

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

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

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

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

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

(c) This chapter does not apply to a:

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

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

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

/s/J. Dismang

APPROVED: 4/11/23