



Michael Preston
SECRETARY OF COMMERCE

Alan McClain
COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

January 1, 2022

Ms. Jessica C. Whittaker, Administrator
Administrative Rules Review Section
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, Arkansas 72201

VIA EMAIL TO: whittakerj@blr.arkansas.gov

**RE: Arkansas Insurance Department
Act 595 Monthly Update on Rulemaking Progress**

Dear Ms. Whittaker,

Pursuant to Ark. Code Ann. § 25-15-216(b)(4), the Arkansas Insurance Department submits this written update on the progress of rules determined to be required under laws enacted in the 2021 legislative session. A summary of the Department's progress is in the attached chart.

Please let me know if you have any questions or I can offer additional assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jim Brader', is written over a white background.

Jim Brader
General Counsel
Arkansas Insurance Department
jim.brader@arkansas.gov
501-372-2825

ARKANSAS INSURANCE DEPARTMENT
Act 595 Monthly Status Report

I. The following Acts from the 2021 legislative session require rulemaking and were included in the *Report on the Acts of the 2021 Regular Session Requiring New Rulemaking*. The Arkansas Insurance Department (“AID”) will be taking the following rulemaking actions for these Acts:

Act	Rule Name	Rule Number	Summary of Law & Status	Action
Act 665	Pharmacy Audits	118	The purpose of this Rule is to comply with Act 655 of 2021 to issue a required rule to enforce the pharmacy bill of rights as well as to make required rule changes consistent with changes to definitions made this session in Act 655 of 2021, to apply our PBM rule to self-funded plans and also to establish a network adequacy standard consistent with federal law. Status: Public Comment Hearing conducted on 12/14/21; Promulgation package expected to be submitted to BLR by January 15, 2022 to get on agenda by February.	Amend Rule
Act 672	Credit for Reinsurance	65	Rule 65 also needs to be amended to properly align itself with and support the revised statutory requirements. The proposed amendments to Rule 65 provide guidelines and reporting forms for the new process by which unauthorized reinsurers may qualify to post reduced collateral to satisfy state credit for reinsurance standards. Adoption of the revised rule is necessary for the Arkansas Insurance Department to meet national accreditation standards. Status: Pending ALC Meeting in January 2022	Amend Rule
Act 1103	340B Drug Pricing	123	The purpose of this Rule is to simply to comply with Act 1103 of 2021 by issuing a mandated rule to implement Act 1103. The proposed rule simply copies and pastes the statutory code enacted in Act 1103 of 2021. AID is aware of no interpretation of issues or ambiguities at this time needing clarification in a rule. This may change during rulemaking. Status: Internal pre-promulgation approvals pending.	Act 1103

II. The following Acts from the 2021 legislative session require rulemaking and were **not** included in the *Report on the Acts of the 2021 Regular Session Requiring New Rulemaking*. However, AID believes rulemaking is needed for the operation of the laws and will be taking the following rulemaking actions for these Acts:

Act 397	Agent/Adjustor Licensing	31	Requires adjuster applicants to complete a minimum of 20 hours of pre-licensing education before taking their Arkansas adjuster examination. Specifies the number of hours in each subject area an adjuster applicant must complete, and a pre-license education course must offer. Clarifies that electronic signatures may be used for all pre-licensing education forms that must be submitted to the Department. Status: Pending ALC Meeting in January 2022	Amend Rule
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Act 955	Cranio- Facial	111	<p>The proposed Rule implements the new amendments by (1) creating a mechanism to review and evaluate craniofacial services for insurance adjudications; (2) the proposed Rule also permits fees or charges to insurers for evaluations of proposed services to help resource and pay for team efforts to review and approve services; and (3) the proposed Rule also provides needed definitions not in Act 955 of 2021 to help clarify the craniofacial coverage laws.</p> <p>Status: Public comment hearing conducted on 12/10/21. Promulgation package expected to be submitted to BLR by January 15, 2022 to get on agenda by February.</p>	Amend Rule
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