

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: S3/10/21

# A Bill

HOUSE BILL 1239

5 By: Representative Lowery  
6 By: Senators M. Pitsch, J. Hendren  
7

## For An Act To Be Entitled

9 AN ACT TO REMOVE THE PRELICENSURE EDUCATIONAL  
10 REQUIREMENTS EXEMPTION FOR AN INSURANCE ADJUSTER; TO  
11 REQUIRE A NONRESIDENT INSURANCE PRODUCER, ADJUSTER,  
12 OR CONSULTANT TO MAINTAIN A LICENSE IN GOOD STANDING  
13 IN THE LICENSEE'S HOME STATE; AND FOR OTHER PURPOSES.  
14

### Subtitle

15  
16 TO REMOVE THE PRELICENSURE EDUCATIONAL  
17 REQUIREMENTS EXEMPTION FOR AN INSURANCE  
18 ADJUSTER; TO REQUIRE A NONRESIDENT  
19 INSURANCE PRODUCER, ADJUSTER, OR  
20 CONSULTANT TO MAINTAIN A LICENSE IN GOOD  
21 STANDING IN THE LICENSEE'S HOME STATE.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 23-64-202(b)(2)(A)(iii)(d), concerning  
28 exemption from prelicensing education, is amended to read as follows:

29 (d) ~~Applicants for adjuster and consultant~~  
30 ~~licenses are~~ An applicant for an insurance consultant license is exempt from  
31 prelicensing education, as are nonresident applicants for producer and  
32 adjuster licenses from states that engage in reciprocal licensing with  
33 Arkansas.  
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35 SECTION 2. Arkansas Code § 23-64-216(a), concerning the suspension or  
36 revocation of license of an insurance producer, adjuster, or insurance



1 consultant, is amended to read as follows:

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

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

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

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

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

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

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

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

24 (F) Having been convicted of a felony;

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

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

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

33 (ii) A license of a nonresident insurance producer,  
34 adjuster, or insurance consultant whose home state license ceases to be  
35 active shall be summarily suspended by the Insurance Commissioner under § 23-  
36 64-508(b)(2).

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

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

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

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

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

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

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

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22   */s/Lowery*  
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