

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

HOUSE BILL 1177

By: Representative M. Brown

By: Senator B. Johnson

## For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS FRANCHISE PRACTICES ACT;  
TO CLARIFY THE APPLICABILITY OF THE ARKANSAS  
FRANCHISE PRACTICES ACT; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE ARKANSAS FRANCHISE  
PRACTICES ACT; AND TO CLARIFY THE  
APPLICABILITY OF THE ARKANSAS FRANCHISE  
PRACTICES ACT.

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

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

(a) The General Assembly finds that:

(1) The Supreme Court recognized in Gunn v. Farmers Ins. Exch., 2010 Ark. 434 (2010) and Stockton v. Sentry Ins., 337 Ark. 507 (1999), that:

(A) The Arkansas Franchise Practices Act does not apply to the relationship between an insurance company and the insurance company's agents; and

(B) A franchise relationship does not exist between an insurance company and the insurance company's agent under the Arkansas Franchise Practices Act;

(2) The Supreme Court correctly decided that the Arkansas Franchise Practices Act does not apply to an insurance agent who solicits or sells insurance on behalf of an insurance company;

(3) The Supreme Court properly and correctly interpreted and applied the Arkansas Franchise Practices Act; and



(4) Existing case law should not be altered or extended.

(b) The General Assembly intends for Sections 2 and 3 of this act to codify the rulings by the Supreme Court in Gunn v. Farmers Ins. Exch., 2010 Ark. 434 (2010) and Stockton v. Sentry Ins., 337 Ark. 507 (1999), that the Arkansas Franchise Practices Act does not apply to business relations, actions, or transactions between an insurance company and an insurance agent who solicits or sells insurance on behalf of the insurance company.

SECTION 2. Arkansas Code § 4-72-202(1), concerning the definition of "franchise" used under the Arkansas Franchise Practices Act, is amended to add an additional subdivision to read as follows:

(C) "Franchise" does not include business relations, actions, or transactions between an insurance company and an insurance agent who solicits or sells insurance on behalf of the insurance company;

SECTION 3. Arkansas Code § 4-72-203, concerning the applicability of the Arkansas Franchise Practices Act, is amended to add an additional subsection to read as follows:

(d) This subchapter does not apply to business relations, actions, or transactions between an insurance company and an insurance agent who solicits or sells insurance on behalf of the insurance company.

SECTION 4. DO NOT CODIFY. Retroactivity.

(a) Section 2 of this act applies retroactively to the effective date of Acts 1991, No. 411.

(b) Section 3 of this act applies retroactively to the effective date of Acts 1991, No. 760.