

**Title 23. Public Utilities and Regulated Industries**  
**Chapter I. State Insurance Department, Department of Commerce**  
**Subchapter B. Life, Health, and Accident**  
**Part 110. Reserves for Funeral Expense Insurance**

**Codification Notes.** This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"SECTION 2. AUTHORITY . This Rule is promulgated pursuant to the Commissioner's authority under Ark. Code Ann. §23-61-108, and §23-63-106, §23-64-206 and §§25-15-201, et seq."

"SECTION 5. EFFECTIVE DATE. The effective date of this Rule shall be August 1, 1994 upon and after filing with the Arkansas Secretary of State and the Arkansas State Library, pursuant to Ark. Code Ann. §§25-15-201, et seq., as amended by Act 1106 of 1993."

"SECTION 6. SEVERABILITY. Any section or provision of this Rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision of this Rule."

**Subpart 1. Generally**

**23 CAR § 110-101. Purpose.**

The purpose of this part is to promulgate guidelines for the voluntary establishment of reserves for funeral expense insurance as referenced in Arkansas Code § 23-64-206(g)(8) and defined in Funeral Expense Insurance, 23 CAR pt. 91.

**Authority.** Arkansas Code § 23-61-108.

**23 CAR § 110-102. Definitions.**

As used in this part:

(1) "Funeral expense insurance" means that form of insurance as defined in Funeral Expense Insurance, 23 CAR pt. 91; and

(2) "Insurer" means any:

- (A) Authorized life insurer;
- (B) Fraternal benefit society;
- (C) Stipulated premium insurer; or
- (D) Mutual assessment life insurer.

**Authority.** Arkansas Code § 23-61-108.

**23 CAR § 110-103. Reserves.**

(a) Subject to the prior written approval of the Insurance Commissioner, any life insurer licensed and doing business in this state and still having outstanding and in force funeral expense contracts issued prior to January 1, 1968, or reinsured thereafter, which contracts provide for payment of death benefits by furnishing goods, services, or merchandise or cash, may over a reasonable number of years establish reserves on such contracts.

(b) Subject to prior written approval of the commissioner, amounts for the reserves on such contracts shall be calculated by using:

(1) Mortality tables recognized by the Society of Actuaries or by similar organizations; and

(2) Current interest rate assumptions.

(c) Upon establishment, such reserves shall thereafter be maintained unimpaired by the insurer unless lesser aggregate reserves are subsequently approved in writing by the commissioner upon the insurer's written application.

(d) To secure the commissioner's approval for a cash reserve plan under this part, the insurer must pay cash benefits for policy claims.

**Authority.** Arkansas Code § 23-61-108.