

Title 23. Public Utilities and Regulated Industries
Chapter I. State Insurance Department, Department of Commerce
Subchapter A. Generally
Part 38. Noninsurance Subsidiary

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

"SECTION 2. AUTHORITY

This Rule is issued under the authority vested in the Commissioner by Ark. Code Ann. §23-61-108, the Arkansas Administrative Procedure Act, codified at Ark. Code Ann. §§25-15-201 et seq., and Ark. Code Ann. §23-63-818, as amended by Act 496 of 2007. The information called for by this Rule is hereby declared to be necessary and appropriate in the public interest and for the protection of insurance consumers in this State."

"SECTION 4. SEVERABILITY

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

SECTION 5. EFFECTIVE DATE AND APPLICABILITY

The effective date of this Rule is May 15, 2008."

Subpart 1. Generally

23 CAR § 38-101. Purpose.

(a) The purpose of this part is to define the term "noninsurance subsidiary", a term that was introduced in Section 11 of Acts 2007, No. 496, without definition.

(b) Section 11 is codified at Arkansas Code § 23-63-818(b).

Authority. Arkansas Code § 23-61-108.

23 CAR § 38-102. Definition of noninsurance subsidiary.

“Noninsurance subsidiary” means a corporation or other entity in which an insurer has, directly or indirectly, a majority ownership, and such corporation or other entity:

(1) Is not necessary and incidental to the convenient operation of the insurer’s insurance business;

(2) Does not administer any of the insurer’s lawful investments; and

(3) Is not subject to licensure by or registration with the Insurance Commissioner.

Authority. Arkansas Code § 23-61-108.