

Title 23. Public Utilities and Regulated Industries
Chapter I. State Insurance Department, Department of Commerce
Subchapter A. Generally
Part 7. Payment of Commissions to Officers and Directors

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

"The effective date of this Rule is April 20, 1968."

Subpart 1. Generally

23 CAR § 7-101. Purpose.

The intent or purpose of this rule is as follows:

(1) It is found and determined by the Insurance Commissioner that the payment of overwriting commissions beyond a period of ten (10) years is:

- (A) Unfair;
- (B) Unreasonable; and
- (C) Not in the best interest of insurers; and

(2) This rule is intended to:

(A) Provide a reasonable period, the formative years of a domestic life insurer, during which officers or directors may receive overwriting commissions; and

(B) Prevent payment of overwriting commissions for indefinite periods contrary to the best interests of the insurer.

Authority. Arkansas Code § 23-61-108.

23 CAR § 7-102. Payment of commissions to officers and directors.

No domestic life insurance company that has been in existence for a period of ten (10) years or more shall pay directly or indirectly to any of its officers or directors any overwriting commissions, as defined in Arkansas Code § 23-66-313, except that

domestic life insurance companies may pay commissions on business personally produced by an officer or director during the period that such officer or director was serving as an agent for the company on a commission basis only.

Authority. Arkansas Code § 23-61-108.