

Title 27. Transportation

Chapter I. Department of Finance and Administration

Subchapter A. Motor Vehicle and Driver's Licensing Generally

Part 2. Insurance Company Reporting

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "This part is necessary in order to enforce Section 4 of Act 991 of 1997."

"Issued this 22nd day of September, 1998".

Subpart 1. Generally

27 CAR § 2-101. Reporting requirements.

(a) Any insurance company that provides motor vehicle liability insurance coverage required under Arkansas Code § 27-22-104(a) must report their motor vehicle insurance policies to the Revenue Division, Department of Finance and Administration.

(b)(1) Any insurance company required to report must provide to the division a record of each motor vehicle insurance policy issued or canceled by their company as of the previous month.

(2)(A) All reports shall be provided to the division through any means of electronic or electromagnetic medium available to and approved by the department.

(B) Any insurance company determined by the division to be a small or low volume insurance company shall be excluded from the electronic reporting requirement but shall report in another method approved by the department.

(3) All reports shall include:

(A) The name and address of the insured operator;

(B) The make, year, and vehicle identification number of each insured vehicle; and

(C) The policy number, effective date, or cancellation date of each policy.

(4)(A) All reports must have an accuracy rate of at least seventy-six percent (76%).

(B) Upon receipt of a report from an insurance company having a twenty-five percent (25%) or more error rate, the division shall notify the insurance company in writing of the reporting problem.

(C) If the department receives reports from a company for two (2) consecutive reporting periods having a twenty-five percent (25%) or more error rate, a penalty may be assessed by the department.

(D)(i) "Error" means a record which is returned with one (1) or more error code fields containing an error code as listed on page 34 of Exhibit A to this part, except for error code "RD" (record duplicates).

(ii) Errors may be the result of incorrect or missing information, or may be technical field edit errors as listed on pages 19-23 of Exhibit A.

(E) The contents of the Insurance Verification and Notification Network Procedure Manual, Exhibit A, to this part are incorporated verbatim into this part.

Authority. Arkansas Code § 27-22-206.

27 CAR § 2-102. Penalty assessments.

(a) A penalty may be assessed of up to two hundred fifty dollars (\$250) per day against any insurance company that fails to report the information described in 27 CAR § 2-101 before the seventh day of each calendar month.

(b)(1) The assessment may continue until the Department of Finance and Administration receives a report from the company.

(2) An insurance company just starting business in Arkansas shall be allowed one (1) complete reporting period before penalties are imposed.

(c)(1) A penalty may be assessed of up to two hundred fifty dollars (\$250) per day against any insurance company sending reports with error rates of twenty-five percent (25%) or more for two (2) consecutive reporting periods.

(2) The assessment may continue until the department receives a report from

the company with a seventy-six percent (76%) or greater accuracy rate.

Authority. Arkansas Code §§ 27-22-107, 27-22-206.

27 CAR § 2-103. Right to hearing.

(a) Any insurance company assessed a penalty under this part may request an administrative hearing before the Office of Hearings and Appeals of the Department of Finance and Administration.

(b) Any requests for administrative hearings should be made in writing to the Secretary of the Department of Finance and Administration within thirty (30) days of the receipt of the assessment.

(c) The provisions of the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq., shall apply to such hearings.

(d) If the insurance company establishes that the failure to comply with this part was inadvertent, accidental, outside of the control of the company, or the result of excusable neglect, the penalty may be waived.

Authority. Arkansas Code § 27-22-206.