

2 State of Arkansas
3 94th General Assembly
4 Regular Session, 2023

A Bill

ANS/ANS
HOUSE BILL

5
6 By: Representative Warren

7 Filed with: House Committee on Insurance and Commerce
8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

10 AN ACT TO AMEND THE LAW CONCERNING TITLE INSURANCE;
11 TO MODIFY THE REGULATION OF INSURANCE RATES; TO ALLOW
12 CERTAIN ADVISORY ORGANIZATIONS TO MAKE RATE FILINGS
13 FOR TITLE INSURERS; AND FOR OTHER PURPOSES.

14 15 16 Subtitle

17 TO AMEND THE LAW CONCERNING TITLE
18 INSURANCE; TO MODIFY THE REGULATION OF
19 INSURANCE RATES; AND TO ALLOW CERTAIN
20 ADVISORY ORGANIZATIONS TO MAKE RATE
21 FILINGS FOR TITLE INSURERS.

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

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26 SECTION 1. Arkansas Code § 23-67-203 is amended to read as follows:
27 23-67-203. Scope.

28 This chapter applies to all kinds of insurance written on risks in this
29 state by any insurers authorized to do business in this state, except:

- 30 (1) Life insurance;
31 (2) Annuities;
32 (3) Disability, including accident and health, insurance;
33 (4) Ocean marine insurance;
34 (5) Reinsurance;
35 (6) Aircraft insurance;
36 (7) ~~Title insurance;~~

1 ~~(8)~~ Workers' compensation and employers' liability insurance,
2 except that the following provisions shall apply to these lines: §§ 23-66-
3 206; 23-67-202(1), (4)-(6), and (9)-(12); 23-67-204; 23-67-205; 23-67-208;
4 23-67-214; 23-67-215(a) and (c); 23-67-216; 23-67-218; 23-67-219; and the
5 Publisher's Note to Title 23, Chapter 67;

6 ~~(9)~~(8) Motor vehicle service contracts, for so long as the motor
7 vehicle service contract providers' exposures to their customers are fully
8 insured by an insurer that is authorized to transact property and casualty
9 insurance business in this state; or

10 ~~(10)~~(9) Surplus lines insurance.

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12 SECTION 2. Arkansas Code § 23-67-215(b), concerning prohibited
13 activity of advisory organizations in rate filings, is amended to read as
14 follows:

15 (b) Advisory Organizations: Prohibited Activity. In addition to the
16 other prohibitions contained in this chapter, no advisory organization shall,
17 except as specifically permitted under §§ 23-67-204, 23-67-211, 23-67-212,
18 ~~and~~ 23-67-216, and § 23-103-418:

19 (1) Compile or distribute recommendations relating to rates that
20 include expenses, other than loss adjustment expenses, or profit except in
21 lines designated by the Insurance Commissioner; or

22 (2) File any manual or plan of rates, policy fees, or supporting
23 information on behalf of an insurer.

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25 SECTION 3. Arkansas Code Title 23, Chapter 103, Subchapter 4, is
26 amended to add an additional section to read as follows:

27 23-103-418. Rate filing – Advisory organization.

28 (a)(1) If licensed under § 23-67-214, an advisory organization may
29 make rate filings with the Insurance Commissioner on behalf of title insurers
30 who are members of the advisory organization.

31 (2)(A) A rate filing under § 23-67-201 et seq. shall be prepared
32 based on information derived from statistical plans developed by an advisory
33 organization on a form approved by the commissioner.

34 (B) A rate filing shall not be derived from individual
35 expenses or from individual loss cost multipliers.

1 (b) Subject to subsection (a) of this section, the commissioner shall
2 review the rate filings by an advisory organization to determine whether or
3 not the rate filings meet the requirements of § 23-67-201 et seq. concerning
4 the regulation of insurance rates.

5 (c) An advisory organization and its officers, directors, or employees
6 shall not be liable under this section for:

7 (1) Inspections, audits, or other statutory duties performed
8 under this section; or

9 (2) Statements that are made in good faith by the advisory
10 organization:

11 (A) In reports or communications concerning risks
12 submitted to the advisory organization; or

13 (B) At an administrative hearing conducted under § 23-67-
14 201 et seq. concerning the regulation of insurance rates.

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17 Referred by Representative Warren

18 Prepared by: ANS/ANS
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