

**REPORTS OF THE
EXECUTIVE SUBCOMMITTEE OF THE
ARKANSAS LEGISLATIVE COUNCIL**

June 20, 2025

Senator Ben Gilmore, Co-Chair	Representative Les D. Eaves, Co-Chair
Senator Justin Boyd, Vice Co-Chair	Representative Jack Ladyman, Vice Co-Chair
Senator Bart Hester	Representative Jeff Wardlaw
Senator Terry Rice	Representative Brian S. Evans

May 22, 2025 Emergency Action

On May 21, 2025, the Executive Subcommittee of the Legislative Council authorized the ALC Co-chairs to approve by emergency action the following vendor contracts for the Bureau of Legislative Research related to the State Captive Insurance Program:

- Investment Advisor Services Agreement, Stephens Capital Management; and
- Software Licensing Agreement, Origami Risk.

Expedited approval of the vendor contracts is necessary due to the need to engage these firms' services immediately, related to formation of the State Captive Insurance Program created by Acts 560 and 779 of 2025.

This action is taken by the Co-Chairs on behalf of the Legislative Council and shall be reported to the Legislative Council at its next regularly scheduled meeting, in accordance with Rule 16. (*Attachment 1*)

June 9, 2025 Meeting

We, the Executive Subcommittee of the Arkansas Legislative Council, met Monday, June 9, 2025, in Room B of the Big MAC Building, Little Rock, Arkansas. Co-Chair Senator Ben Gilmore called the meeting to order and saw a quorum of members present.

Co-Chair Gilmore recognized Ms. Jill Thayer, Chief Legal Counsel, Bureau of Legislative Research, to discuss the Claims Administration Services Agreement with Sedgwick Claims Management Services, Inc. **With no questions from members, Co-Chair Gilmore stated, without objection, the Executive Subcommittee authorizes the ALC Co-Chairs to approve the Sedgwick contract by emergency action and authorizes BLR to assign the contracts to the Department of Shared Administrative Services on July 1, 2025.**

Co-Chair Gilmore then recognized Mr. J.R. Bizzell and Mr. Ted Grace, Stephens Insurance, and Mr. Kyle Hales, Perr & Knight who joined via TEAMS, to discuss the State Captive Insurance Program Coverage. Mr. J.R. Bizzell stated information regarding the premium and deductibles will be disseminated to all entities in the coming weeks.

Upon conclusion of the presentation, **Representative Ladyman made a motion to direct Stephens Insurance to move forward with the premiums and deductibles as presented today and authorize the ALC Co-Chairs to approve the direction to Stephens by emergency action. The motion was seconded and passed by voice vote.**

Co-Chair Gilmore moved on to recognize Ms. Marty Garrity, Director, Bureau of Legislative Research, to give the Director's Report. Ms. Garrity informed members that the July ALC meeting is usually cancelled due to members attending conferences or traveling during that month, which creates conflict with ALC and its meeting week. Upon conclusion of the report, **Representative Ladyman made a motion that the Legislative Council meeting for the month of July 2025, is cancelled; the ALC Subcommittees are permitted to meet to take up items that have an imminent need such that they cannot wait until the regularly scheduled August 2025 meetings of the Subcommittees; the ALC Subcommittees are permitted to meet outside the regularly scheduled ALC week in July 2025; and all actions of the Legislative Council subcommittees that would normally be reported at the July 2025 meeting of the Legislative Council will be considered final and shall be reported to the Legislative Council at its meeting scheduled for August 15, 2025. The motion was seconded and passed by voice vote.**

With no further business, the meeting was adjourned.

June 13, 2025 Emergency Actions

On June 9, 2025, the Executive Subcommittee of the Legislative Council authorized the ALC Co-chairs to approve by emergency action the following vendor contracts for the Bureau of Legislative Research related to the State Captive Insurance Program:

- Service Agreement for Administration of a Claims Program, Sedgwick Claims Management Services, Inc.

Expedited approval of the vendor contracts is necessary due to the need to engage these firms' services immediately, related to formation of the State Captive Insurance Program created by Acts 560 and 779 of 2025.

This action is taken by the Co-Chairs on behalf of the Legislative Council and shall be reported to the Legislative Council at its next regularly scheduled meeting, in accordance with Rule 16. (*Attachment 2*)

Additionally, on June 9, 2025, the Executive Subcommittee of the Legislative Council authorized the ALC Co-chairs to utilize emergency action authority to direct Stephens Insurance to move forward with the premiums and deductibles for the State Captive Insurance Program, as presented to the ALC Executive Subcommittee at its meeting on June 9, 2025, and as set forth in the attachment hereto:

- Final Terms: 2025-2026 Policy Period

Expedited approval of the vendor contracts is necessary due to the need to move forward expeditiously with finalizing the captive insurance coverage and policy related to formation of the State Captive Insurance Program created by Acts 560 and 779 of 2025.

This action is taken by the Co-Chairs on behalf of the Legislative Council and shall be reported to the Legislative Council at its next regularly scheduled meeting, in accordance with Rule 16. (*Attachment 3*).

Respectfully submitted,

Senator Ben Gilmore, Co-Chair and Representative Les D. Eaves, Co-Chair

**Arkansas Legislative Council Report
For Emergency Approval of
Vendor Contracts for the
State Captive Insurance Program**

May 22, 2025

On May 21, 2025, the Executive Subcommittee of the Legislative Council authorized the ALC Co-chairs to approve by emergency action the following vendor contracts for the Bureau of Legislative Research related to the State Captive Insurance Program:

- Investment Advisor Services Agreement, Stephens Capital Management; and
- Software Licensing Agreement, Origami Risk.

Expedited approval of the vendor contracts is necessary due to the need to engage these firms' services immediately, related to formation of the State Captive Insurance Program created by Acts 560 and 779 of 2025.

Under Rule 16 of the Rules of the Arkansas Legislative Council, Senator Ben Gilmore and Representative Les Eaves, Co-Chairs of the Legislative Council, have determined that emergency approval of the vendor contracts, as described in the attached table, is necessary in order to allow the vendors to begin work for the State Captive Insurance Program immediately to meet the July 1, 2025 deadline for startup of the program, and in accordance with the directive of the Executive Subcommittee to take emergency action.

This action is taken by the Co-Chairs on behalf of the Legislative Council and shall be reported to the Legislative Council at its next regularly scheduled meeting, in accordance with Rule 16.

Respectfully Submitted,



Senator Ben Gilmore, Co-Chair
Arkansas Legislative Council



Representative Les Eaves, Co-Chair
Arkansas Legislative Council

State Captive Insurance Program -- Vendor Contracts

Vendor	Services	Fees
Stephens Capital Management	Investment Advisor	Annual fee -- contract still being negotiated; fee will be no more than \$700,000/year
Origami Risk	Software License	<ul style="list-style-type: none">• Annual licensing fee of \$64,935; and• One time Implementation fee of \$66,300.• See attached "Origami Revised (2) Pricing Estimate"



REVISED (2) Pricing Estimate

Description

Licensing

RMIS Module

	Users	Per User
Full User License	4	\$2,875
Light User License	3	\$575

Customer Support

Data Processing

Hosting

Claim, Transactions, Notes - Weekly

File Attachment Storage

Enterprise Values Collection

Annual

TOTAL: *\$64,935

*3-Year Investment Summary

Year 1

\$131,235

Year 2

\$64,935

Year 3

\$64,935

Description

Implementation

Project Management

Interface Configuration

Mail Merge

Location Hierarchy Design

TCOR & Allocations

Value Tracking/Collection

Go-Live Support

Training

Non-Recurring

TOTAL: *\$66,300

**Final contract pricing is contingent upon the finalization of a project scope which involves a comprehensive collaboration with Origami's Technical Solutions team. While this proposal serves as an estimate, the figures presented herein are expected to closely approximate actual costs.*

Prepared For

State of Arkansas

Pricing Effective Date

05/20/2025

Pricing Expiration Date: September 1, 2025

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June 13, 2025

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- Service Agreement for Administration of a Claims Program, Sedgwick Claims Management Services, Inc.

Expedited approval of the vendor contract is necessary due to the need to engage these firms' services immediately, related to formation of the State Captive Insurance Program created by Acts 560 and 779 of 2025.

Under Rule 16 of the Rules of the Arkansas Legislative Council, Senator Ben Gilmore and Representative Les Eaves, Co-Chairs of the Legislative Council, have determined that emergency approval of the vendor contracts, as described in the attached table, is necessary in order to allow the vendors to begin work for the State Captive Insurance Program immediately to meet the July 1, 2025 deadline for startup of the program, and in accordance with the directive of the Executive Subcommittee to take emergency action.

This action is taken by the Co-Chairs on behalf of the Legislative Council and shall be reported to the Legislative Council at its next regularly scheduled meeting, in accordance with Rule 16.

Respectfully Submitted,



Senator Ben Gilmore, Co-Chair
Arkansas Legislative Council



Representative Les Eaves, Co-Chair
Arkansas Legislative Council

State Captive Insurance Program -- Vendor Contracts

Vendor	Services	Fees
Sedgwick Claims Management Services, Inc.	Claims Administration	<ul style="list-style-type: none">• Agreement includes hourly fees for specific individuals and services to be provided, including various adjusters, travel expenses, forensic advisory services, subrogation recovery services, contents field adjusting, and fire investigations.• Sedgwick provided a range for the total anticipated contract amount based on the fact that over the past five years there is an average of \$32,199,570 in claims paid. If we use this information we find that <i>Sedgwick's involvement in the Captive program could range from \$800,000 to \$1,200,000 annually.</i>• The range exists due to the fact that there are many factors that come into play for costs, such as: number of buildings involved in a claim for a particular insured member, complexity of claims, or no claims.

**Arkansas Legislative Council Report
For Emergency Approval of
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State Captive Insurance Program**

June 13, 2025

On June 9, 2025, the Executive Subcommittee of the Legislative Council authorized the ALC Co-chairs to utilize emergency action authority to direct Stephens Insurance to move forward with the premiums and deductibles for the State Captive Insurance Program, as presented to the ALC-Executive Subcommittee at its meeting on June 9, 2025, and as set forth in the attachment hereto:


- Final Terms: 2025-2026 Policy Period (*Attachment 1*).

Expedited approval of the premiums and deductibles is necessary due to the need to move forward expeditiously with finalizing the captive insurance coverage and policy, related to formation of the State Captive Insurance Program created by Acts 560 and 779 of 2025.

Under Rule 16 of the Rules of the Arkansas Legislative Council, Senator Ben Gilmore and Representative Les Eaves, Co-Chairs of the Legislative Council, have determined that emergency approval of the premium and deductible levels, as described in the attachment, is necessary in order to meet the July 1, 2025 deadline for startup of the program, and in accordance with the directive of the Executive Subcommittee to take emergency action.

This action is taken by the Co-Chairs on behalf of the Legislative Council and shall be reported to the Legislative Council at its next regularly scheduled meeting, in accordance with Rule 16.

Respectfully Submitted,



Senator Ben Gilmore, Co-Chair
Arkansas Legislative Council



Representative Les Eaves, Co-Chair
Arkansas Legislative Council

Final Terms: 2025-2026 Policy Period

Same rate + Tiered Deductible Structure

- **Rates** will stay **FLAT** year-over year
 - **Premium** = Rate multiplied by Building Values
 - Entities with changes to building values (added, removed, or increased) will see premium adjustments.

Deductibles (Year 1)

- **Minimum deductible:**
 - \$25,000 per occurrence
 - \$50,000 per occurrence when Total Insured Value ("TIV") is greater than \$100M

Deductibles (Year 2 and beyond)

- **The minimum amounts listed above apply only in Year 1 (2025 – 2026)**
- **A Tiered deductible structure will be implemented based on insured property value**
 - **Phase-in period:** Deductible changes will be phased in over 2 years.
- **Deductibles will increase in Year 2, especially for entities with TIVs greater than \$250M.**
 - Final Year 2 deductible levels are still being evaluated through the ongoing actuarial analysis, but no entity will see a reduction from their Year 1 level.

State Agency Deductible:

- Minimum \$250,000 per occurrence (*No phase-in period*)

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Senator Bart Hester	Representative Jeff Wardlaw
Senator Terry Rice	Representative Brian S. Evans

June 19, 2025 Meeting

We, the Executive Subcommittee of the Arkansas Legislative Council, met Thursday, June 19, 2025, in Room B of the Big MAC Building, Little Rock, Arkansas. Co-Chair Senator Ben Gilmore called the meeting to order and saw a quorum of members present.

Co-Chair Gilmore recognized Ms. Melissa Weatherton, Ms. Martina Smith, and Ms. Paula Stone, all of Department of Human Service (DHS), to present an emergency rule for Psychiatric Residential Treatment Facility Services for Under Age 21. **After the presentation and questions from members, Co-Chair Gilmore stated, without objection the proposed emergency rule is reviewed and approved and the review and approval shall be effective upon adjournment of the Legislative Council meeting, Friday, June 20, 2025.**

With no further business, the meeting was adjourned.

Respectfully submitted,

Senator Ben Gilmore, Co-Chair and Representative Les D. Eaves, Co-Chair