

State of Arkansas
76th General Assembly
Regular Session, 1987
By: Senator Gordon

SENATE BILL 227

"THE INSURANCE INFORMATION ACT OF 1987."

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

SECTION 1. SHORT TITLE. This Act may be cited as the "Insurance Information Act of 1987".

SECTION 2. FINDINGS. The Legislature finds that no independent data gathering body exists within the federal government or elsewhere to analyze the relationship between insurance premiums and the legal system, in order to assist the states, Congress and the President in formulating policy relating to the insurance industry.

SECTION 3. PURPOSES. The purposes of this Act are:

(1) to assure the availability of accurate data on the relationship between insurance premiums and the legal system by requiring insurance companies which issue commercial insurance policies to report such data to the Secretary; and

(2) to aid the Legislature by requiring the Commissioner:

(A) to analyze the data reported,

(B) to provide such data to the Legislature, for use in monitoring the relationship between the legal system and the cost of obtaining commercial insurance coverage,

(C) to make available such data to the public.

SECTION 4. REPORTING REQUIREMENTS.

(A) IN GENERAL. (1) An insurance company which issues a commercial insurance policy shall report to the Commissioner the information described in subsection (B), both for the State of Arkansas and the United States as a

whole, after January 1, but not later than March 31 of each year.

(2) Each report under paragraph (1) shall contain such information for the calendar year preceding the calendar year in which such report is filed.

(B) INFORMATION TO BE REPORTED. The information required to be reported by an insurance company under subsection (a) is the following:

(1) For claims paid by the insurance company during the calendar year, in which a verdict had at any time been rendered,

- (a) the dollar amount paid by the insurance company;
- (b) the dollar amount of the original verdict.

(2) For claims paid by the insurance company during the calendar year, in which a verdict had at any time been rendered,

(a) the dollar amount of the original verdict, broken out as follows:

(1) the total amount of past economic damages assessed by the trier of fact;

(2) the total amount of future economic damages assessed by the trier of fact;

(3) the total amount of compensatory non-economic damages assessed by the trier of fact;

(4) the total amount of punitive damages assessed by the trier of fact;

(b) the dollar amount paid by all parties.

(c) the dollar amount paid by the insurance company.

(d) the number of claims paid by the insurance company.

(3) For claims paid by the insurance company during the calendar year, in which a verdict had never been rendered,

(a) The total amount paid by the insurance company broken out as follows:

(1) the amount of the plaintiff's past economic damages, as submitted by the plaintiff;

(2) the amount of the plaintiff's future economic damages, as estimated by the insurance company;

(3) the amount paid by the insurance company for other damages.

(b) the number of claims paid by the insurance company.

(4) The number of claims in which the insurance company paid (a) more than \$250,000 in non-economic damages; (b) more than \$500,000 in non-economic damages.

(5) For claims paid by the insurance company during the calendar year, the number of claims in which

- (a) punitive damages were assessed by the trier of fact;
- (b) punitive damages were paid by any party;
- (c) punitive damages were paid by the insurance company.

(6) For claims paid by the insurance company during the calendar year,

- (a) the dollar amount of punitive damages assessed by the trier of fact;
- (b) the dollar amount of punitive damages paid by all parties;
- (c) the dollar amount of punitive damages paid by the insurance company.

(7) The number and dollar amount of claims paid by the insurance company during the calendar year in which parties other than the insured

- (a) had at any time been found liable by the trier of fact, or
- (b) had been estimated by the insurance company to have some liability.

(8) For those claims in which parties other than the insurance company's insured

- (a) had at any time been found liable by the trier of fact, or
- (b) had been estimated by the insurance company to have some liability, the amount by which the amount paid by the insurance company exceeded the amount proportional to the insured's percentage of responsibility.

(9) For the amount paid in claims by the insurance company during the calendar year,

- (a) total amounts reserved with respect to those claims;
- (b) the year in which the reserves were set; and
- (c) the amounts set in each year.

SECTION 5. REPORT OF THE COMMISSIONER.

(a) IN GENERAL. (1) The Commissioner shall, not later than September 30 of each year, issue a report which summarizes the information reported

under Section 4 as compiled and analyzed in accordance with subsection (b).

(2) A copy of such report shall be sent to the Governor and each member of the Legislature.

(3) Copies of such report shall be available for distribution to the public upon request.

SECTION 6. PENALTY. Any person who

(1) fails to file a report in accordance with the requirements of this Act and regulations promulgated under this Act, or

(2) knowingly makes any false statement or omission of fact in such a report,

shall upon conviction be fined not more than \$100,000 or imprisoned not more than 5 years or both.

