

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

SENATE BILL 556

"AN ACT TO AMEND ARK. STAT. 66-3023 TO AUTHORIZE SURPLUS
LINES INSURANCE BROKERS TO CHARGE A FEE IN ADDITION TO
COMMISSIONS IF THE CHARGE IS DISCLOSED TO THE INSURED; AND
FOR OTHER PURPOSES."

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

SECTION 1. Subsection (3) of Section 230 of Act 148 of 1959, as amended,
the same being Ark. Stat. 66-3023(3), is hereby amended to read as follows:

"(3) Any fee charged by a licensed insurance agent for services which are
not customarily associated with the solicitation, negotiation or servicing of
an insurance contract shall not be deemed to be a premium or a charge for
insurance, and therefore the charging of such fee shall not be deemed prohi-
bited by the provisions of subsection (2) of this Section if all the following
conditions are met:

(a) The fee must be based upon a written agreement which is signed
by the party to be charged in advance of the performance of services under the
agreement, and a copy of the agreement must be provided at such time to the
party to be charged;

(b) The services for which the fee is to be charged must be speci-
fically stated in the agreement, and services for which the fee is charged
must be other than those which are customarily associated with the sollicita-
tion, negotiation or servicing of an insurance contract;

(c) The amount of the fee to be charged must be specifically stated
in the agreement;

(d) The agreement must contain a statement that if an insurance
product is purchased through the agent, the agent will receive a commission in
connection with such sale, that the fee charged is unrelated to any compen-
sation received by the agent for the sale of any insurance product and that

such fee may not be waived under any circumstance;

(e) The agent must retain a copy of the agreement for not less than three years after completion of the services, and such copy shall be available to the Commissioner upon request.

(4) Provided, nothing herein shall prohibit a person licensed as a property and casualty insurance agent, broker, or surplus lines broker from charging a fee in addition to any commission he may receive, provided such charge is disclosed to the insured."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

