

Seasoning Requirement

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Arkansas  
Insurance Code

TITLE 23 -- PUBLIC UTILITIES AND REGULATED INDUSTRIES...Subtitle 3.  
Insurance...Chapter 63 -- INSURANCE COMPANIES GENERALLY...Subchapter 2. Authority to  
Do Business

23-63-202

Qualifications for authority to transact insurance

Former Citations 66-2204

To qualify for and hold authority to transact insurance in this state, an insurer must be otherwise in compliance with the Arkansas Insurance Code and with its charter powers and must be an incorporated stock insurer, an incorporated mutual insurer, or a reciprocal insurer, all of the same general type as may be formed as a domestic insurer under the Arkansas Insurance Code, except that:

(1) No foreign insurer shall be authorized to transact insurance in Arkansas which:

(A) Unless waived by the Insurance Commissioner, has not furnished the commissioner with evidence that it has been organized and actively engaged in the insurance business in the state of its incorporation for a period of three (3) years prior to the date of its application to be admitted and authorized to do business in the State of Arkansas. However, this subdivision (1)(A) shall not apply to a foreign insurance company which is:

(i) The wholly owned subsidiary of an insurance company admitted and authorized to do business in the State of Arkansas; or

(ii) The continuing corporation resulting from a merger or consolidation of insurance companies, at least one (1) of which has been organized and actively engaged in the insurance business in the state of its organization for at least three (3) years prior to the date of the application of the corporation to be admitted and authorized to do business in the State of Arkansas; and

(B) Does not maintain reserves as required by § 23-63-601 et seq., which:

(i) Refers to assets and liabilities applicable to the kinds of insurance transacted by the insurer wherever transacted in the United States;

(ii) If a mutual life insurer, issues policies under which the policyholder is subject to contingent liability or assessment; or

(iii) Transacts insurance on the assessment premium plan, stipulated premium plan, cooperative plan, or any similar plan, except that the commissioner may renew the certificate of authority of any foreign insurer lawfully transacting insurance in Arkansas on any plan under its certificate of authority immediately prior to January 1, 1960, so long as the insurer is otherwise in compliance with the applicable provisions of the Arkansas Insurance Code.

(2) No certificate of authority or license to transact any kind of insurance business shall be issued, renewed, or continued in effect to any insurer which is owned or controlled, in whole or in substantial part, by any state of the United States, or by a foreign government, or by any political subdivision, instrumentality, or agency of either, unless the insurer was so owned, controlled, or constituted and was authorized to transact insurance in this state, prior to March 3, 1959.

(3) Foreign Lloyd's plan insurers may be authorized to transact insurance in this state as provided in § 23-63-208.

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