

23-77-106. Certificate of authority required - Application and issuance.

(a) Every club or association desiring to commence operations within the state shall file, prior to the commencement of operations, applications with and receive a certificate of authority from the Insurance Commissioner.

(b)(1) No foreign or alien automobile club or association shall be authorized to operate in Arkansas that has not furnished the commissioner with evidence that it has been organized and actively engaged in the automobile club or association 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.

(2) However, this subsection shall not apply to a foreign or alien automobile club or association that is:

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

(B) The continuing corporation resulting from a merger or consolidation of automobile clubs or associations or insurance companies, at least one (1) of which is in good standing in its state or country of domicile and has been organized and actively engaged in the automobile club or association business in the state or country of domicile for at least three (3) years prior to the date of the application of that corporation to be admitted and authorized to do business in the State of Arkansas.

(3) The commissioner may accept evidence of the applicant's good standing and operation for three (3) years under licensure in its state or country of domicile or under licensure in another state or port of entry state, so long as the laws of that jurisdiction regulating automobile clubs or associations are substantially similar to the laws of this state, with forms and certifications as are specified.

(c) An automobile club or association must pay to the commissioner one hundred dollars (\$100) as an annual license fee. The license fee shall be paid to the commissioner on or before April 1 of each year.

(d)(1) The following documents and information shall be filed with the application of all automobile clubs and associations:

(A) Certification that upon full licensure it shall deposit the sum of twenty thousand dollars (\$20,000) in cash or securities as approved by the commissioner and having at all times a market value of not less than twenty thousand dollars (\$20,000);

(B) On or after January 1, 2003, appointment of an agent, including the agent's name and address, for service of process who shall be a resident of the State of Arkansas and who shall be registered with the commissioner pursuant to the provisions of §§ 23-63-301 - 23-63-304. In the event no registered agent has been listed, the commissioner may be served until the appointment of an Arkansas-registered agent for service of process has been entered upon the records of the commissioner;

(C) A copy of the proposed form of membership application, membership certificate, articles of incorporation or organization or partnership agreement, bylaws, contracts for service, advertising material, and any other data requested by the commissioner;

(D) References as to the character, ability, and integrity of the organizers, manager, agent, and any other person through whom the applicant proposes to issue contracts, membership certificates, membership cards, or other documents in return for membership fees or dues; and

(E)(i) A full and true statement of its financial condition, transactions, and affairs as of the December 31 next preceding the date of the application. The statement shall be on a calendar-year basis. The statement shall be verified by oath of two (2) officers or directors of the automobile club or association, one (1) of whom shall be its president, vice president, or secretary.

(ii) Financial statements that are consolidated with other affiliates or subsidiaries of the applicant are not acceptable, except for good cause and subsequent approval by the commissioner.

(iii) Beginning after December 31, 2002, each applicant shall file an audited financial statement for three (3) calendar years prior to the date of its application in this state.

(2) If the commissioner is satisfied that the applicant is qualified and meets all the requirements of this chapter, he or she shall issue to the applicant a certificate of authority to conduct the business of the automobile club or association within this state.

History. Acts 1955, No. 377, § 5; 1981, No. 821, § 3; 1983, No. 522, § 44; 1985, No. 804, § 2; A.S.A. 1947, § 75-1605; Acts 2001, No. 1555, § 12; 2001, No. 1604, § 77.