

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

April 25, 2016

BULLETIN NO. 6-2016

TO: ALL INSURERS, ACCREDITED REINSURERS, TRUSTEED REINSURERS, FARMERS MUTUAL AID ASSOCIATIONS, HOSPITAL AND MEDICAL SERVICE CORPORATIONS, HEALTH MAINTENANCE ORGANIZATIONS, FRATERNAL BENEFIT SOCIETIES, INSURER TRADE ASSOCIATIONS, RATE SERVICE OR ADVISORY ORGANIZATIONS, INSURER AND PRODUCER TRADE ASSOCIATIONS, SURPLUS LINES INSURERS, INSURANCE AGENCIES, THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: 2016 COMPANY APPOINTMENT OF PRODUCERS – RENEWALS AND TERMINATIONS

Every licensed entity that appoints an insurance producer in this state shall annually file with the Insurance Commissioner a renewal appointment pursuant to Ark. Code Ann. § 23-64-514, together with the fee amount specified in Ark. Code Ann. § 23-61-401 and Arkansas Insurance Department (“Department”) Rule 57.

The insurance company’s renewal of a producer’s appointment indicates that the appointing company has reviewed the producer’s background and fitness to continue to act as an agent of the company.

An insurance producer’s appointments shall remain in effect during any period of active duty in any branch of the United States military pursuant to Ark. Code Ann. § 23-64-507(b)(2).

Under pertinent law, each appointment shall remain in effect until terminated. However, pursuant to Ark. Code Ann. § 23-64-507(c), an individual insurance producer who allows his or her license to lapse may reinstate the same license within twelve (12) months after the due date of the renewal fee, without the necessity of passing a written examination, by paying a penalty in the amount of double the unpaid renewal fee. Please note that the appointments are terminated at the time of lapse and are not reinstated when the producer license is reinstated or reactivated.

The following procedures apply in 2016 for appointment renewals and terminations:

A company must annually review its records on its appointed Arkansas producers and business entities (insurance agencies) and decide whether the company will renew each appointment. The company can research its appointed producers and business entities by going to the License Division page on the Department's website at <http://insurance.arkansas.gov/license.htm>, then selecting "**Online Services (SBS)**", and then "**Company Lookup**". Then type in the insurance company's name or NAIC number and click "Submit". The system will display the company name and show a link for appointments. Then click on "**Appointments**" and the system will list all active appointments for the company. If an appointment does not appear on this list, the appointment is not active.

Within the SBS system, the agency appointments are now separate from the producer appointments and are no longer shared appointments. There should be a direct appointment for the agency and for each producer doing business with the company under the agency license. The company should verify the status of the individual or agency license by using the "**Licensee Lookup**" on the SBS services page by selecting Licensee type "**Individual**" for the producer or Licensee Type "**Business Entity**" for the agency. The company can also verify Arkansas appointments by use of the **NAIC Producer Database** for individual appointments. National Insurance Producer Registry ("NIPR") Subscriber Insurers can reconcile company appointments by obtaining a list of appointments via the **Company Appointment Report** prior to renewal invoices being created.

The company appointment renewals will include all active appointments that are in effect as of May 18, 2016. The company should terminate all appointments that the company does not wish to renew. If the insurance company processes the terminations by paper, the Department must receive the terminations by May 1, 2016. Electronic terminations must be completed by May 25, 2016 via NIPR. NIPR and the Department will not process any new appointments after May 18, 2016, to prepare for the appointment renewal process. For paper termination of appointments, the company may send the terminations on paper forms with a ten dollar (\$10.00) fee for each terminated appointment. The company can also process the individual termination electronically by accessing the National Insurance Producer Registry at **NIPR.com** and choosing the **NIPR Gateway** in the **Company & Agency box**. The NIPR website provides specific instructions and includes a list of approved business partners.

All company appointment renewals will be processed via NIPR for 2016. Please contact NIPR at (816) 783-8467 or marketing@nipr.com for any questions regarding NIPR processes. On June 1, 2016, NIPR will allow for the renewal of company appointments after 8:00am CST. NIPR will turn off the appointment renewal process at 4:00 p.m. CST on June 30, 2016. Payment can be by credit card, electronic check, or electronic funds transfer. NIPR will not accept paper check payments. If the company cannot renew electronically via NIPR, it must contact the Department's License Division directly after June 1, 2016, and explain why the company cannot renew electronically. The company may pay by paper check directly to the Department. The check should be made payable to the Arkansas Insurance Department Trust Fund and should be attached to a letter stating that the payment is for the annual company appointment renewal. The letter should list the name and the NAIC number of the company and list a contact name, contact phone number and email information. All unaccompanied checks will be returned to the company unprocessed. Any company attempting renewal after June 30, 2016 must contact the Department.

A penalty of up to **double the fee** may be charged to companies who fail to meet the payment deadline.

Questions concerning this Bulletin should be directed to the License Division at 501-371-2750 or by email at insurance.license@arkansas.gov.

This Bulletin is intended to and shall rescind prior Bulletin 7-2015, entitled “2015 Company Appointment Renewals for Producers” and dated April 14, 2015.


ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

4/25/16
DATE