

Arkansas Insurance Department

Mike Huckabee
Governor



Julie Benafield Bowman
Commissioner

September 16, 2005

BULLETIN NO. 8-2005

TO: ALL LICENSED AUTOMOBILE CLUBS OR ASSOCIATIONS;
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS; TRADE
ORGANIZATIONS AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

RE: 2005 CHANGES TO AUTO CLUB LICENSE DEPOSITS

Please note that Act 506 of 2005 amended Arkansas Code § 23-77-107(a)(2), which now states that the automobile club or association may be penalized (suspended or revoked) if it no longer meets requirements for the authority originally granted by the Arkansas Insurance Department, due to a deficiency in the statutory asset deposit required by §23-77-106(d)(1)(A), or due to the failure of the club or association to maintain a deposit of securities or other assets acceptable to the Commissioner; and in the \$20,000 amount as prescribed by Arkansas Code §23-77-106(d)(1)(A).

The Act in question strikes use of surety bonds for deposits; thus surety bonds will no longer be accepted by the Arkansas Insurance Department.

Please contact the Securities Administrator, Finance Division, at 501-371-2665, or malisa.landars@Arkansas.org, if you have any questions.

(signed by Julie Benafield Bowman)

(signed on September 16, 2005)

JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS

DATE