

**HEARING**

**IN THE MATTER OF  
PROPOSED AMENDED RULE 57  
"INSURANCE DEPARTMENT REGULATION AND  
ADMINISTRATIVE FEES"**

**DECEMBER 10, 2015**

**9:00 AM**

**HONORABLE RUSS GALBRAITH, CHIEF DEPUTY  
COMMISSIONER & HEARING OFFICER**

HEARING

IN THE MATTER OF

PROPOSED AMENDED RULE 57  
"INSURANCE DEPARTMENT REGULATION  
AND ADMINISTRATIVE FEES"

HONORABLE RUSS GALBRAITH  
CHIEF DEPUTY COMMISSIONER & HEARING OFFICER  
ARKANSAS INSURANCE DEPARTMENT

---

HEARING PROCEEDINGS

DECEMBER 10, 2015

at 9:00 A.M.

---

APPEARANCES

ON BEHALF OF THE ARKANSAS INSURANCE DEPARTMENT:

MR GRAY ALLEN TURNER  
ARKANSAS INSURANCE DEPARTMENT  
1200 WEST THIRD STREET  
LITTLE ROCK, ARKANSAS 72201-1904

---

**GRIGSBY REPORTING SERVICES**  
711 FOXBORO DRIVE  
JACKSONVILLE, ARKANSAS 72076  
(501) 580-5117  
[fgriqsby07@comcast.net](mailto:fgriqsby07@comcast.net)

ORIGINAL

INDEX

STYLE AND NUMBER . . . . . 1

APPEARANCES . . . . . 1

CAPTION . . . . . 3

PROCEEDINGS . . . . . 4

PROCEEDINGS CONCLUDED . . . . . 8

COURT REPORTER'S CERTIFICATE . . . . . 9

EXHIBITS

Exhibit 1 Designation of Hearing Officer (1 Page) . 7

Exhibit 2 Notice of Hearing (1 Page) . . . . . 7

Exhibit 3 Pam Dicus Letter (3 Pages) . . . . . 7

Exhibit 4 Donna Davis Letter (1 Page) . . . . . 7

Exhibit 4A Filed Rule 57 (13 Pages) . . . . . 7

Exhibit 4B Financial Impact Statement (3 Pages) . . 7

Exhibit 4C Questionnaire (3 Pages) . . . . . 7

Exhibit 4D Rule 57 Summary (1 Page) . . . . . 7

Exhibit 5 Newspaper Notice (1 Page) . . . . . 7

Exhibit 6 Secretary of State Letter (2 Pages) . . . 7

Exhibit 7 Public Comments (1 Page) . . . . . 7

Exhibit 8 Electronic Mailout (2 Pages) . . . . . 7

Exhibit 9 Post-Filing Rule 57 (13 Pages) . . . . . 7

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CAPTION

PROCEEDINGS in the above-styled and numbered cause on the 10th day of December, 2015, before Faith Grigsby, Arkansas Supreme Court Certified Court Reporter #686, at 9:11 a.m., in the Hearing Room of the Arkansas Insurance Department, 1200 West Third Street, Little Rock, Arkansas, pursuant to the agreement hereinafter set forth.

\* \* \* \* \*

## 1 PROCEEDINGS

2 DECEMBER 10, 2015

3 HEARING OFFICER: Today is December 10,  
4 2015, and we are here in the matter of Proposed  
5 Amended Rule 57, Insurance Department  
6 Regulation and Administrative Fees. My name is  
7 Russ Galbraith, and Commissioner Kerr has  
8 appointed me to be the hearing officer in this  
9 matter. Present representing the Department is  
10 Mr. Gray Turner.

11 Mr. Turner, you may proceed.

12 MR. TURNER: Thank you, Mr. Hearing  
13 Officer. Today, we have Proposed Rule 57.  
14 This is an amendment of the existing Rule 57,  
15 which deals with fees. There's only one  
16 amendment that I'm asking you to consider, Mr.  
17 Hearing Officer, and that is to add a \$1 fee  
18 per hour of on-line education for insurance  
19 producers.

20 I have some exhibits I'd like to identify  
21 and introduce into the record. The first is  
22 our designation of hearing officer appointing  
23 you as the hearing officer. The second is our  
24 Notice of Public Hearing where we announced  
25 that we're intending to amend Rule 57.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

That's on Section --

HEARING OFFICER: Page 6.

MR. TURNER: Yeah, it's Page 6. I think it's Section --

HEARING OFFICER: (b)(9).

MR. TURNER: Number 9 on Page 6 literally says, "Pre-licensing electronic education fee, per hour of instruction, \$1." That is the only amendment we're asking for. That is the only change that we want to see done to this Rule. And I just wanted to make that clear that that's all we're doing.

This Rule will add \$1 per hour of pre-licensing education. That's only for electronic education. That will not be assessed to anyone who's doing classroom hours. And that is to help us implement Rule 31, in which we want to expand the use of electronic education for pre-licensed producers. I just want to make clear that that is the purpose of this and that is all we are amending in this Rule.

HEARING OFFICER: Quick question. Mr. Turner, does Exhibit 9 take care of the issue that the person with public comments had?

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. TURNER: Yes. So this Rule is exactly like the most current version of Rule 57, as opposed to an older version. So we're just changing that. We're not trying to change any other fees. We're not trying to affect anything else except that one change, that one line.

I'd ask that all the exhibits be placed into the record at this time.

HEARING OFFICER: Without objection, Department's Exhibits 1 through 9 will be placed into the record.

(WHEREUPON, Exhibits Number 1 through 9 were marked for identification and are attached hereto.)

MR. TURNER: And at this time, if there's anyone who would like to make a public comment, we would invite anyone to make a comment.

HEARING OFFICER: Do we have anybody here that would like to have public comment on Rule 57?

(No audible response given)

HEARING OFFICER: Hearing and seeing none --

MR. TURNER: I don't think we have any

1 public comments today. I'd ask the record be  
2 closed and we submit this to the Bureau of  
3 Legislative Research.

4 HEARING OFFICER: Without objection, the  
5 record is closed and the hearing is concluded.

6 (WHEREUPON, the proceedings were concluded  
7 in this matter at 9:17 a.m.)  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

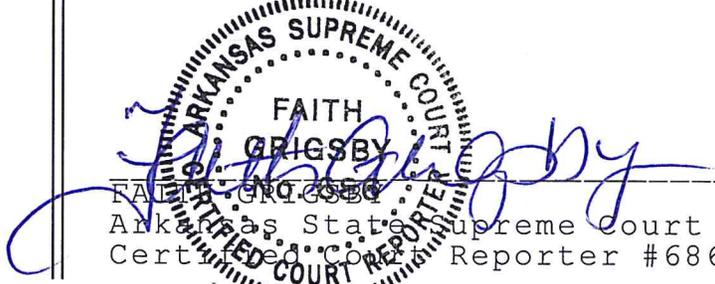
CERTIFICATE

STATE OF ARKANSAS )  
 ) ss  
COUNTY OF PULASKI )

I, Faith Grigsby, CCR, Certified Stenomask Reporter before whom the foregoing testimony was taken, do hereby certify that the witness was duly sworn by me; that the testimony of said witness was taken by me and was thereafter reduced to typewritten form under my supervision; that the deposition is a true and correct record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by the parties to the action in which this deposition was taken, and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially interested in the outcome of this action.

I FURTHER CERTIFY, that I have no contract with the parties within this action that affects or has a substantial tendency to affect impartiality, that requires me to relinquish control of an original deposition transcript or copies of the transcript before it is certified and delivered to the custodial attorney, or that requires me to provide any service not made available to all parties to the action.

WITNESS MY HAND AND SEAL this 23rd day of December, 2015.

  
FAITH GRIGSBY  
Arkansas State Supreme Court  
Certified Court Reporter #686

**EXHIBIT LIST**

**DATE:** DECEMBER 10, 2015

**SUBJECT:** RULE 57 "INSURANCE DEPARTMENT REGULATION AND ADMINISTRATIVE FEES"

**HEARING OFFICER:** HONORABLE RUSS GALBRAITH  
CHIEF DEPUTY COMMISSIONER

**EXHIBIT #            DESCRIPTION**

---

1. Designation of Hearing Officer
2. Copy of Arkansas Insurance Department November 5, 2015, NOTICE OF PUBLIC HEARING, concerning Rule 57 "Insurance Department Regulation and Administrative Fees"
3. Copy of November 5, 2015, Arkansas Insurance Department electronic email to Ms. Pam Dicus, Arkansas Democrat-Gazette, with attached:
4. Copy of Arkansas Insurance Department November 6, 2015, letter to Donna Davis of Arkansas Legislative Counsel, Arkansas Bureau of Legislative Research, with attachments:
  - a. Filed Rule 57
  - b. Financial Impact Statement
  - c. Legislative Council Questionnaire
  - d. Rule 57 Summary
5. Newspaper Notice –Copy of Ad which ran for 3 days
6. Copy of November 6, 2015, Arkansas Insurance Department letter to Secretary of State
7. Public or Industry Comments or Legislative Research Questions
  - a. November 24, 2015, letter from Anna Pires, Primerica Life Insurance Company
8. Copy of the Department’s electronic “AIDMAILOUT” dated November 6, 2015 .
9. Post-Filing Edited Rule 57

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

## DESIGNATION OF HEARING OFFICER

DATE: December 10, 2015

SUBJECT: PROPOSED RULE 57 "INSURANCE DEPARTMENT  
REGULATORY AND ADMINISTRATIVE FEES" "

HEARING OFFICER: Russ Galbraith,  
CHIEF DEPUTY COMMISSIONER

Pursuant to Ark. Code Ann. § 23-61-103(e)(1), I hereby delegate Russ Galbraith, Chief Deputy Commissioner, to serve as the Hearing Officer in the above-referenced matter. Pursuant to this Designation, Mr. Galbraith will have at his disposal all of the powers and duties vested in the office of the Commissioner of Insurance for the State of Arkansas.

A handwritten signature in blue ink, appearing to read "Allen Kerr", written over a horizontal line.

Allen Kerr  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

December 9, 2015  
Date

EXHIBIT

TABBS.

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

DATE: NOVEMBER 5, 2015

TO: AUTHORIZED INSURANCE COMPANIES, HMO'S, HOSPITAL/ MEDICAL SERVICE CORPORATIONS, FARMER'S MUTUAL AID ASSOCIATIONS AND INSURER AND AGENT TRADE ASSOCIATIONS

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: RULE 57: "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES"

## NOTICE OF PUBLIC HEARING

Please find attached or available by electronic publication by the Arkansas Insurance Department ("Department") Proposed RULE 57: "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES." The Arkansas Insurance Commissioner ("Commissioner") is filing for public comment and public hearing, a proposed regulation governing fees for pre-license education courses.

Pursuant to Ark. Code Ann. §§ 23-99-417(a)(1), 23-99-417(e), 23-61-108(a)(1), and other applicable laws or rules, NOTICE is hereby given that a PUBLIC HEARING will be held on December 10, 2015 at 9:00 A.M., in the First Floor Hearing Room, Arkansas Insurance Department ("Department"), 1200 West Third Street, Little Rock, Arkansas.

The purpose of the Public Hearing will be to determine whether the Commissioner should adopt Proposed RULE 57: "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES"

All interested persons are encouraged to make comments, statements or opinions to the address below or attend the Public Hearing and present, orally or in writing, statements, arguments or opinions on the proposed Rule. All licensees and other interested persons are responsible for notifying all their personnel, agents, and employees about this Public Hearing.

Persons wishing to testify should notify the Legal Division as soon as possible, and are requested to submit intended statements in writing in advance.

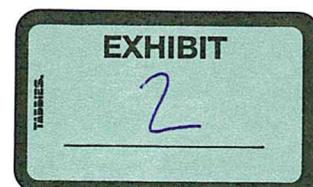
Direct your inquiries to the Legal Division at (501) 371-2820 or [insurance.legal@arkansas.gov](mailto:insurance.legal@arkansas.gov).

A copy of Proposed Rule 57 can be obtained or viewed on the Legal Division's Internet Web Site at <http://insurance.arkansas.gov/prop-rules.htm>

Sincerely,

A handwritten signature in black ink, appearing to read "Gray Turner".

Gray Allen Turner  
Associate Counsel  
Arkansas Insurance Department



# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

November 5, 2015

Arkansas Democrat-Gazette  
P O Box 2221  
Little Rock, AR 72203  
Attn: Ms. Pam Dicus, Legal Ad Department  
Facsimile: 501-378-3591

RE: Legal Notices: Public Hearing on Proposed Rule # 57

Dear Ms. Dicus:

The Insurance Commissioner is proposing to adopt Rule 57, "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES." In order to publish it per the Arkansas Administrative Procedure Act, as amended, and per the Arkansas Insurance Code, we need to publish a **FULL RUN** legal ad or notice on the Commissioner's Public Hearing for the Rule set on December 10, 2015 at 9:00 a.m.

In compliance with Ark. Code Ann. § 25-15-204 and § 16-3-102, please find enclosed a legal ad for Notice of Public Hearing which should be published for three (3) consecutive days beginning on November 7, 2015.

Please send the billing invoices to Mrs. Pam Looney, Assistant Commissioner, Accounting Division, Arkansas Insurance Department, 1200 West Third, Little Rock, Arkansas 72201-1904, accompanied by a printed copy of the Legal Ad and proof of publication. Thank you in advance for your cooperation.

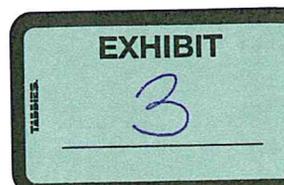
Sincerely,

*Gray Allen Turner*

Gray Allen Turner  
Associate Counsel/Legal Division  
Gray.turner@arkansas.gov

Attachment – Legal Ad for Proposed Rule 57 Adoption

cc: LoRaine Rowland, Administrative Analyst



## NOTICE OF PUBLIC HEARING

The Arkansas Insurance Department will host a Public Hearing on December 10, 2015, beginning at 9:00 a.m. in the First Floor Hearing Room, Arkansas Insurance Department, 1200 West Third Street (Third and Cross Streets), Little Rock, Arkansas, to consider adoption of proposed RULE 57: "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES". Copies of proposed Rule 57 may be obtained by writing or calling the Arkansas Insurance Department, or by visiting our Internet site at <http://www.insurance.arkansas.gov/prop-rules.htm>. Or [www.accessarkansas.org/insurance](http://www.accessarkansas.org/insurance) for links there. For more information, please contact Ms. LoRaine Rowland, Legal Division, Arkansas Insurance Department at 501-371-2820.

## LoRaine Rowland

---

**From:** Legal Ads <legalads@arkansasonline.com>  
**Sent:** Thursday, November 05, 2015 9:29 AM  
**To:** LoRaine Rowland  
**Subject:** Re: Rule 57 and Rule 31

Received and processed both ads.  
thanks  
pam

**From:** [LoRaine Rowland](#)  
**Sent:** Thursday, November 05, 2015 8:42 AM  
**To:** [Legal Ads \(legalads@arkansasonline.com\)](#)  
**Cc:** [LoRaine Rowland](#)  
**Subject:** Rule 57 and Rule 31

Please find attached two Legal ads for the Department. Please confirm that you have received them and the run dates per the letter request.

Thank you,

*LoRaine Rowland*  
*Administrative Analyst/Legal Division*  
*Arkansas Insurance Department*  
*1200 West 3<sup>rd</sup> Street*  
*Little Rock, AR 72201*  
*501-371-2831 (office)*  
*501-371-2639 (fax)*  
[lorraine.rowland@arkansas.gov](mailto:lorraine.rowland@arkansas.gov)

*"This will be the best day and the best year of my life"*

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

November 6, 2015

Donna Davis  
Arkansas Legislative Council  
Arkansas Bureau of Legislative Research  
State Capitol, Suite 315  
Little Rock, Arkansas 72201

Via Hand Delivery

RE: Arkansas Insurance Department Proposed Rule 57, "Insurance Department Administrative and Regulatory Fees"

Dear Mrs. Davis:

Enclosed for your review and for filing with the Subcommittee of the Arkansas Legislative Council, is the Arkansas Insurance Department's proposed Amended Rule 57, "Insurance Department Administrative and Regulatory Fees." The Department is proposing to amend Rule 57 to require insurance producer applicants to pay a \$1 per credit hour fee for participating in an electronic education pre-licensing education program.

The Department has scheduled a public hearing for December 10, 2015, at 9:00 A.M., at our office in the first floor Hearing Room, to consider adopting this proposed amended Rule. I have enclosed a triplicate set of the proposed Rule, our Notice of Public Hearing, the standard Questionnaire, and Financial Impact Statement.

Please do not hesitate to contact me at (501) 371-2829 or [gray.turner@arkansas.gov](mailto:gray.turner@arkansas.gov) if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Gray Turner".

Gray Allen Turner  
Associate Counsel

cc: LoRaine Rowland, Administrative Analyst

encl.

RECEIVED

NOV 06 2015

BUREAU OF  
LEGISLATIVE RESEARCH

EXHIBIT

4

PROPOSED RULE AND REGULATION 57  
INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES

RECEIVED

NOV 06 2015

BUREAU OF  
LEGISLATIVE RESEARCH

SECTIONS

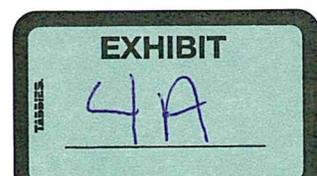
1. PURPOSE.
2. AUTHORITY; SCOPE AND APPLICATION.
3. EFFECTIVE DATE.
4. DERIVATION AND CLASSES OF FEES.
5. INSURERS.
6. AGENTS, AGENCIES, BROKERS, VIATICAL SETTLEMENT AGENTS AND BROKERS, ADJUSTERS, LIMITED ADJUSTERS, CONSULTANTS, RISK RETENTION GROUP AGENTS, PURCHASING GROUP BROKERS, SURPLUS LINE BROKERS, SURPLUS LINE BROKERS FOR PURCHASING GROUPS ONLY, HMO AGENTS, PREPAID LEGAL INSURANCE AGENTS, FRATERNAL BENEFIT SOCIETY AGENTS, FMAA AGENTS.
7. INSURANCE HOLDING COMPANY TRANSACTIONS.
8. HEALTH MAINTENANCE ORGANIZATIONS.
9. RATE SERVICE OR ADVISORY ORGANIZATIONS.
10. RISK RETENTION GROUPS.
11. PURCHASING GROUPS.
12. AUTOMOBILE CLUBS OR ASSOCIATIONS.
13. THIRD PARTY ADMINISTRATORS.
14. EMPLOYEE LEASING FIRMS.
15. CONTINUING CARE FACILITIES; LIFE CARE PROVIDERS.
16. REINSURANCE INTERMEDIARIES.
17. COURSE PROVIDERS FOR AGENT PRE-LICENSING AND CONTINUING EDUCATION: ANNUAL REGISTRATION AND FEES.
18. MANAGING GENERAL AGENTS/AGENCIES.
19. NOTARY BOND SURETY CORPORATIONS.
20. MISCELLANEOUS FEES.
21. INFORMATION SYSTEMS SERVICES.
22. TRUST FUND DEPOSIT REQUIRED.
23. CUMULATIVE/NONREFUNDABLE FEES.
24. SCRIVENERS' ERRORS.
25. PENALTIES.
26. SEVERABILITY.

SECTION 1. PURPOSE.

The purpose of this Rule and Regulation is to implement and clarify the pertinent fee provisions of Act 652 of 1993, "The State Insurance Department Trust Fund Act" [codified at Ark. Code Ann. §§ 23-61-701 et seq.]; Act 901 of 1993, the Department's "Omnibus Act"; Act 787 of 1993, the "Life Care Providers Act" [codified at Ark. Code Ann. §§ 23-93-201 et seq.] and others. This Rule is designed to specify the amount, method and manner of payment of nonrefundable administrative and regulatory fees of insurers, agents and other licensees or registrants, as well as other filing fees for various Arkansas Insurance Department ("Department") products and services, all of which are payable to "The State Insurance Department Trust Fund" ("Trust Fund").



FILED



It is also to emphasize that fees charged under current laws are not affected, diminished or altered by the provisions of this Rule. As appropriate, and to the extent fees are charged under other Arkansas laws for the same product, process or service as to which a fee is to be paid pursuant to the Acts referenced herein and this Rule and Regulation, this Rule is to provide for the payment of all of such fees in a coordinated, consistent manner.

**SECTION 2. AUTHORITY; SCOPE AND APPLICATION.**

(a) **AUTHORITY.** The Insurance Commissioner hereby promulgates and issues this Rule and Regulation under his authority pursuant to the provisions of Ark. Code Ann. §§23-61-701 et seq., 23-61-108, 25-15-201 et seq., and other applicable Arkansas laws.

(b)(1) **SCOPE AND APPLICATION.** This Rule or any applicable parts shall apply to insurers, agents and other current or former licensees, permittees, registrants, and applicants for licensure of the Insurance Commissioner. Such licensees, registrants or permittees or applicants for licensure shall include but not be limited to:

- (A) **Insurers and Similar Entities:** All licensed domestic, foreign and alien insurance companies, including but not limited to stock and mutual insurers, title insurance companies, mutual assessment life and disability insurers, reciprocal insurers, approved but not admitted surplus line insurers, health maintenance organizations ("HMO's"), fraternal benefit societies, hospital and medical service corporations, stipulated premium insurers, farmers' mutual aid associations ("FMAA's"), prepaid legal insurers, advisory/rate service organizations, property and casualty JUA's, associations, pools and syndicates not qualifying as advisory organizations under §§23-67-101, et seq.;
- (B) **Auto Clubs:** All licensed automobile clubs or associations;
- (C) **Agents and Brokers:** All licensed resident and non-resident insurance agents, brokers, viatical settlement agents and brokers, consultants, risk retention group agents and purchasing group brokers, HMO agents, prepaid legal insurance agents, FMAA agents, all licensed resident and non-resident insurance agencies;
- (D) **TPA's:** All registered third party administrators ("TPA's");
- (E) **Education Course Providers:** All current approved course providers for agent pre-licensure and continuing education;
- (F) **Fraternals:** All licensed fraternal benefit society agents, excluding all officers, members, employees or other representatives exempt from examination or State licensure by statute;
- (G) **Adjusters:** All licensed resident and non-resident adjusters and limited adjusters;
- (H) **Surplus Lines:** All licensed resident surplus line brokers, and all licensed surplus line brokers for purchasing groups only;
- (I) **Continuing Care Facilities and Life Care Providers;**
- (J) **Notary Bond Surety Corporations;**
- (K) **Managing General Agents/Agencies;**
- (L) **Reinsurance Intermediaries and Accredited/Trusted Reinsurers;**
- (M) **Employee Leasing Firms or Groups; and**
- (N) **Others, as mentioned elsewhere in this Rule, or others as applicable.**

All persons and entities referred to in paragraphs (b) (1) (A) through (b) (1) (N) may sometimes hereinafter be referred to collectively as "Licensees, Registrants, or Permittees."

(2) All administrative and regulatory fees set forth in this Rule and Regulation are in addition to any other fees imposed under current laws and rules, and shall be paid coincident with the payment of other fees currently owing. However, where practical and as

a convenience to the reader, certain statutory fees are referenced within this Regulation to assist the reader in determining the appropriate fee amount, when both the statute and this Regulation charge different fees for the same services. Note also, that a few fees referenced herein list an annual or biennial fee amount but may be due on an annual or biennial schedule.

(3) The Commissioner in his discretion may waive all or any part of any fee assessed under this if: (A) the Certificate of Authority, license, permit or registration is suspended or revoked; (B) if the Commissioner finds that the licensee, permittee or registrant is impaired or insolvent, or its continuing operations are hazardous to the public of this State; or (C) if the licensee, permittee or registrant is under domiciliary department supervision of this or another State, or court-ordered conservation, rehabilitation, liquidation or has filed for bankruptcy under Chapter 11 of Title 11, United States Code. Any licensee, permittee, registrant or its domiciliary conservator, rehabilitator, liquidator, or trustee in bankruptcy may request a fee waiver in writing; but the Commissioner may not consider waivers for those failing to file a written request therefor. Upon activation or reinstatement of any suspended certificate of authority, license, permit or registration, or upon approval of a bankruptcy reorganization plan or successful release from conservation or rehabilitation, then the licensee, permittee, or registrant shall automatically commence reporting and payment of any of the fees in this Rule applicable to resumed Arkansas operations under the license, permit or registration. Trust Fund reimbursement for fees which would have been required and assessed but for the waiver during that period shall not be required. Upon failure of any such person, firm, or corporation to file for waiver or pay the fees when due, or upon the Commissioner's denial of the requested waiver, the Commissioner may file his claim on behalf of the Trust Fund against any deposit or other asset of the person, firm or corporation as permitted by insurance and other applicable laws of this State.

(4) It is the intent of the Commissioner not to charge fees for filings which are made with the Department for "informational purposes only", and which are otherwise exempt from filing or not expressly required to be filed by statute, regulation, or order. The Commissioner in his reasonable discretion, reserves the right to determine whether, in fact, a particular filing is truly for informational purposes only.

### SECTION 3. EFFECTIVE DATE.

The provisions of this Rule shall become effective January 1, 2016, upon statutory filing per Arkansas law.

### SECTION 4. DERIVATION AND CLASSES OF FEES.

(a) Ark. Code Ann. §§23-61-701 et seq. provides the Department's authority to generate revenue to support its operations by the imposition of fees; it also divides certain of those fees into two categories, i.e. Category A and Category B. Fees in Category A are those involving material or substantive corporate transactions or those which consume substantial time of Department staff; those fees are capped at a maximum of \$1,500 per transaction. Category B fees, on the other hand, are those involving other Departmental filings, transactions or services which do not require a substantial effort by Department staff; those fees are capped at a maximum of \$50 per transaction.

(b) Caution: §§23-61-701 et seq. and other acts/statutes referenced above, authorize the imposition of other fees set forth in the Rule and Regulation and which are not subject to the respective Category A and Category B "caps".

## SECTION 5. INSURERS (See Section 2(b)(1)(A).

SUBSECTION I.  
 CATEGORY "A" FEES (Maximum \$1500)  
 (Per Covered Entity, filing, or transaction)

DEPARTMENT SERVICE OR PRODUCT	FEE AMOUNTS
(a) Authorized or Licensed Insurers.	
(1) Department expense for independent actuarial review of previously disapproved rate/rule filing set for hearing at filer's request (excluding Workers' Compensation which is not subject to a monetary cap) EXPENSE AS INCURRED BUT NOT TO EXCEED-----	\$1500
(2) Filing and review of each Bulk or Assumption Reinsurance Agreement-----	\$ 500
(3) Filing and review of all documents necessary for issuance of Certificate of Incorporation for Domestic Insurers----- (Coupled with the \$100 fee in Ark. Code Ann. §23-61-401(1)(A) the total fee due is \$600.)	\$ 500
(4) Reviewing all documents necessary for issuance of Original Certificate of Authority for all Companies----- (Coupled with the \$500 fee in Ark. Code Ann. §23-61-401(1)(C) the total fee due is \$1000.)	\$ 500
(5) Filing notice of appointment of Managing General Agent/Agency or Notice of Termination of Managing General Agent/Agency-----	\$ 500
(6) Review/processing of information necessary to amend an Arkansas Certificate of Authority----- (Coupled with the \$100 fee in Ark. Code Ann. §23-61-401(3)(C) the total fee due is \$500.)	\$ 400
(7)(A) Filing and review of independent rate filings, initial filing to adopt an Advisory Organization's reference filing for loss costs, or filing to change the loss cost multiplier already on file, including companion rule filings required to implement the rate filings (P, C, S, M)----- ("P, C, S, M" signifies property, casualty [including workers' compensation], surety and marine insurance and all other specific lines identified at Ark. Code Ann. §§23-62-104 through 23-62-108.)	\$ 100
(B) Filing to adopt an Advisory Organization's reference for loss costs with no changes to company's loss cost multiplier already on file, including companion rule filing required to implement the new loss cost filing-----	\$ 50
(8) Issuance of an Original Certificate of Incorporation for Domestic Insurers----- (Coupled with the \$50 fee in Ark. Code Ann. §23-61-401(1)(B) the total fee due is \$200.)	\$ 150
(9) Issuance of Original Certificate of Authority for all Companies----- (Coupled with the \$150 fee in Ark. Code Ann. §23-61-401(1)(D)	\$ 150

- the total fee due is \$300.)
  - (10) Review and processing of amended Articles of Incorporation, each filing, each insurer-----\$ 75  
(Coupled with the \$25 fee in Ark. Code Ann. §23-61-401(3)(A)  
the total fee due is \$100.)
- (b) Approved Non-Admitted Surplus Line Insurer.  
Annual continuation of foreign surplus line company  
registration (DUE MARCH 1<sup>ST</sup>)-----\$ 500
- (c) Accredited/Trusteed Reinsurer  
Initial registration and annual renewal for Accredited or Trusteed  
Status-----\$ 500

SUBSECTION II.  
CATEGORY "B" – MAXIMUM \$50  
(Per Covered Entity, Filing or Transaction)

ADMINISTRATIVE AND REGULATORY FEES FEE AMOUNTS

- (a) Compliance.
  - (1) Filing or review of policy/contract, endorsements or certificates, riders, applications, or annuity forms, per submission (not per form)-----\$ 50  
\*Note that a Service purchaser of an Advisory Organization must file the purchased Form for review.
  - (2) Filing/review of each Life and/or Disability rate filing or loss ratio guarantee filing, per insurer-----\$ 50
  - (3) Filing of an independent rule filing or to adopt a reference or item filing of Advisory Organization, per item (excluding loss cost reference filing)-----\$ 25
  - (4) Filing each set of new/amended or restated By-laws, per insurer, per filing-----\$ 25
  - (5) Life and/or Disability: Filing/review of insurer's advertisements, per advertisement, per each insurer-----\$ 25
  - (6) Policy, contract or annuity forms: Filing and review of each life and/or disability certificate rider, application, or endorsement, if filed separately from basic form, per insurer-----\$ 20
  - (7) Policy and contract forms, all lines, filing corrections in previously filed policy and contract forms-----\$ 20
  - (8) Filing of each insurer address change, not involving an amendment to a Certificate of Authority or Articles of Incorporation, per filing, per insurer-----\$ 10
  - (9) Filing of Department Forms I-71 as to cancellation/nonrenewal of all appointed insurance agents and agencies after a Name change or after Merger or Consolidation of two or more insurers-----\$ 10
  - (10) Each filing of an individual Department Form I-71 as to cancellations/nonrenewals of agent appointments, each appointment, each insurer-----\$ 10
  - (11) Preparation and execution of Certificates of

- Compliance for insurers-----\$ 15  
 (Coupled with the \$5 fee in Ark. Code Ann. §23-61-401(14)(B)  
 the total fee due is \$20.)
- (12) Filing biographical affidavits on insurer officers and  
 directors per Rule and Regulation 7  
 (DOMESTIC INSURERS ONLY)-----\$ 10
- (13) Filing I-48 agent appointment forms for all appointed  
 insurance agents and agencies in the new name of an  
 insurer after a Name Change or after Merger or  
 Consolidation of two or more insurers-----\$ 10
- (b) Insurers' appointments of Insurance Agents and Agencies. In addition to and as an  
 increase of all other current agent license fees paid by insurers and others in connection  
 with initial and renewal agent appointments under the Insurance Code or other applicable  
 laws or rules, the following additional fees are hereby assessed insurers.

All AGENTS AND AGENCIES must note that even though statutorily, appointment  
 fees are payable by insurers and even though Ark. Code Ann. §23-61-708(d) makes it clear  
 that this economic burden must be borne by insurers, it is, nonetheless, the dual  
 responsibility of agents and agencies to make sure that appointments are kept current.

- (1) Initial appointment of non-resident insurance agent -----\$ 30
- (2) Initial appointment of non-resident agency, including  
 one (1) qualifying individual-----\$ 30
- (3) Annual fee for insurer's continuing appointment of  
 non-resident insurance agent-----\$ 30
- (4) Annual fee for insurer's continuing appointment of  
 non-resident agency, including one (1) qualifying individual----- \$ 30
- (5) Initial appointment and annual continuation of resident agent,  
 individuals only, for full line appointments (life, disability and  
 multi-line)-----\$ 10
- (6) Initial appointment and annual continuation of resident agent,  
 individuals only, for limited line appointments-----\$ 7
- (7) Initial appointment and annual continuation of each resident  
 agency, including one (1) qualifying individual, for full line  
 appointments (life, disability and multi-line)-----\$ 10
- (8) Initial appointment and annual continuation of each resident  
 agency, including one (1) qualifying individual, for limited line  
 appointments-----\$ 7
- (9) Pre-licensing Electronic Education Fee, per hour of instruction-----\$ 1.00

(See Ark. Code Ann. §23-61-401 for additional agent/agency fees.)

**CERTAIN PAYMENTS PROHIBITED.** Ark. Code Ann. §23-61-708(d) prohibits  
 agents from being compelled to pay insurer appointment fees for agent licensing, or being  
 compelled to reimburse insurers for such appointment fees. The Commissioner in his  
 discretion may discipline any insurer attempting to compel or compelling any agent to pay  
 such appointment fees directly or indirectly.

**SECTION 6. AGENTS, AGENCIES, BROKERS, VIATICAL SETTLEMENT  
 AGENTS AND BROKERS, ADJUSTERS, LIMITED ADJUSTERS, CONSULTANTS, RISK  
 RETENTION GROUP AGENTS, PURCHASING GROUP BROKERS, SURPLUS LINE  
 BROKERS, SURPLUS LINE BROKERS FOR PURCHASING GROUPS ONLY, HMO**

AGENTS, PREPAID LEGAL INSURANCE AGENTS, FRATERNAL BENEFIT SOCIETY AGENTS, FMAA AGENTS.

- (a) (1) APPLICANTS FOR NEW, FIRST TIME LICENSE:-----\$35 FEE.  
Each new applicant (individual or agency) for any first time resident or non-resident license of each and every kind as listed in the heading of this Section shall pay a nonrefundable THIRTY-FIVE DOLLAR (\$35) administrative and regulatory fee for each and every original license or type of license as referenced in Ark. Code Ann. §23-61-706(b) (excluding third party administrators).
- (2) ANNUAL RENEWAL FEES: CURRENT LICENSEES AND FIRST TIME RENEWALS.  
(A) For the fiscal year beginning July 1, 1998, all individuals holding any one or more valid and subsisting resident or nonresident AGENT licenses, shall pay the annual regulatory renewal fee on or before their birthday, and annually on their birthday thereafter.  
(B) For the fiscal year beginning July 1, 1998, all entities holding any one or more valid and subsisting resident or nonresident AGENCY licenses, shall pay the annual regulatory renewal fee on or before October 1 and annually on the same day thereafter.
- (3) TYPE OF LICENSE: The phrase "type of license" refers to the particular kind of license held by the licensee rather than the type or line of business the license authorizes the licensee to transact. Thus, an agent authorized to transact one or more lines of insurance still has only one license, and the applicable fee is \$35. If however, the same licensee also hold a broker's license and a surplus line broker's license (a total of 3 licenses), the licensee would owe three (3) separate fees of \$35 each, for a total of \$105.
- (4) INSURER CHECKS PROHIBITED. Section 1 of Act 901 of 1993 prohibits insurers from paying the \$35 annual fee per license of agents and others described in Subsection (a) of this Section. Each agent or other licensee will have to submit his own separate check or money order, or pay cash for payment of these license fees. Fees may be paid by licensing bureaus which, in turn, must charge this cost back to the agent/licensee. The Department will reject or refund any insurer checks. [This does not prohibit insurer payment of agent examination fees.]
- (b) Agents.  
(1) Filing application for each examination, per applicant, shall be as determined by the Commissioner or Vendor of the Commissioner.  
(2) Licensing: Letters of Clearance or Letters of Certification, per each license, per each letter-----\$ 5
- (c) Agents, Agencies, Brokers, Viatical Settlement Agents and Brokers, Adjusters, Limited Adjusters, Consultants, Risk Retention Group Agents, Purchasing Group Brokers, Surplus Line Brokers, Surplus Line Brokers for Purchasing Groups only, HMO Agents, Prepaid Legal Insurance Agents, Fraternal Benefit Society Agents, FMAA Agents, and any other applicant, or licensee, registrant or permittee with records in the Department:  
Review, processing, and retrieval for copying, certifying, or other distribution upon written request for information regarding individual agents (resident & nonresident), per each agent/agency, (exempting governmental agencies, insurance buying public, or others upon Commissioner's discretion)-----\$ 10

- (d) Agencies.
- (1) Filing and review of change of name or business address-----\$ 10
- (2) Adding/deleting individual agents from agency licenses-----\$ 10

#### SECTION 7. INSURANCE HOLDING COMPANY TRANSACTIONS.

(Fees below are per each holding company, not per each licensed insurer.)

- (a) Filing and review of each Form A on Acquisitions/Change  
in Control (DOMESTIC ONLY)-----\$1000
- (b) Filing and review of each Request for Exemption from Filing  
of Registration Statements or Amendments (FORM B)  
(FOREIGN & ALIEN COMPANIES)-----\$ 100
- (c) Filing/review of Holding Company Registration Statement  
(Forms B and C) (all companies)-----\$ 100
- (d) Filing and review of Amendments to Holding Company  
Registration Statements, including annual refiling (Form B) (all companies)----\$ 50
- (e) Filing Pre-Acquisition Notifications (Form E) or requests for  
exemptions therefrom per Ark. Code Ann. §§23-63-525 - 530-----\$ 100
- (f) Filing and Review of Registration Statements – Material  
Transactions with Affiliates (Form D) (Domestics)-----\$ 100

#### SECTION 8. HEALTH MAINTENANCE ORGANIZATIONS.

- (a) Filing Pre-Acquisition Notification for Mergers/Charter Sales  
and Bulk Reinsurance Agreements-----\$ 100
- (b) Filing Amendments to Certificates of Authority, per each  
filing, per each HMO-----\$ 150
- (c) Filing and review of provider contracts, per HMO, per contract  
form-----\$ 50
- (d) Filing/Review of Enrollee's Certificate-----\$ 50  
(See Ark. Code Ann. §23-76-127 for additional HMO fees.)

#### SECTION 9. RATE SERVICE OR ADVISORY ORGANIZATIONS.

- (a) Department Expense for independent actuarial review of  
previously disapproved rate/rule filing set for hearing at the  
request of the advisory organization (excluding Workers'  
Compensation which is not subject to a monetary cap.  
EXPENSE AS INCURRED BUT NOT TO EXCEED-----\$1500
- (b) Filing and review of loss cost filings per Advisory Organization  
(P, C, S, M)-----\$ 250
- (c) Filing and review of a policy/contract, endorsement or  
certificate, per item (P, C, S, M)-----\$ 100  
\*Maximum fee of \$500
- (d) Rule Filings – Filing Minor Rate Component Modifications-----\$ 50

#### SECTION 10. RISK RETENTION GROUPS.

- (a) Initial Registration Fee-----\$ 250
- (b) Renewal Registration Fee (MARCH 1ST)-----\$ 100
- (c) Filing Annual Statement-----\$ 50

#### SECTION 11. PURCHASING GROUPS.

- (a) Initial Registration Fee-----\$ 150
- (b) Renewal Registration Fee (MARCH 1ST)-----\$ 100

#### SECTION 12. AUTOMOBILE CLUBS OR ASSOCIATIONS.

- (a) Filing Annual Financial Statement (APRIL 1<sup>ST</sup>)-----\$ 100
- (b) Form Filing, per club, per form-----\$ 50

- (c) Review of all documents necessary for and issuance of certificate of authorization-----\$ 250

**SECTION 13. THIRD PARTY ADMINISTRATORS.**

All new applicants for registration as a third party administrator ("TPA"), and all previously registered TPA'S shall pay the following filing and processing fee for issuance/renewal of each certificate of registration, in addition to all other registration fees imposed by §§23-92-201, et seq., other fees addressed in this Rule, or fees imposed under other sections of Arkansas law.

The fees imposed under this Section and any others as required shall accompany the TPA application for the initial registration, or renewal of registration due no later than

December 15 annually. -----\$ 75

(Coupled with the \$25 fee in Ark. Code Ann. §23-92-203 the total fee due is \$100.)

**SECTION 14. EMPLOYEE LEASING FIRMS.**

- (a) Initial or annual renewal of licensure of Employee Leasing Firms or Groups, each firm or group\*-----\$ 500

- (b) Initial or annual renewal of licensure of Employee Leasing Firms or Groups without substantial presence in this State-----\$ 50

\* Either resident or nonresident firms or groups with "substantial presence" in this State as defined in Department Rule and Regulation 58.

**SECTION 15. CONTINUING CARE FACILITIES AND LIFE CARE PROVIDERS.**

- (a) Filing Annual Disclosure Statement, each statement, per each facility/provider and/or appointing Commissioner as agent for service of process, each provider-----\$ 100

- (b) Filing and review of initial registration application, for each facility/provider-----\$ 250

**SECTION 16. REINSURANCE INTERMEDIARIES.**

- (a) Filing initial application for license as reinsurance intermediary-manager-----\$ 500

- (b) Filing initial application as reinsurance intermediary-broker-----\$ 300

- (c) Annual renewal fee for reinsurance intermediary-manager-----\$ 100

- (d) Annual renewal fee for reinsurance intermediary-broker-----\$ 75

- (e) Designation of Commissioner as Agent for service of process for non-resident manager or broker-----\$ 75

**SECTION 17. COURSE PROVIDERS FOR AGENT PRE-LICENSING AND CONTINUING EDUCATION: ANNUAL REGISTRATION AND FEES.**

(a) Annual Registration. Pursuant to Ark. Code Ann. §§23-61-701 et seq., all approved course providers for agent pre-licensing and continuing education shall register on September 1st annually with the Department on forms prescribed by the Insurance Commissioner

- (b) Fees.

- (1) Pre-Licensing Education.

Each original registration and/or annual renewal of a

course provider for agent pre-licensing education-----\$ 100

- (2) Continuing Education.  
Each original registration and/or annual renewal of a  
course provider for agent continuing education-----\$ 100

**SECTION 18. MANAGING GENERAL AGENTS/AGENCIES.**

Filing application for initial licensure and annual renewal-----\$ 500

**SECTION 19. NOTARY BOND SURETY CORPORATIONS.**

Initial and/or annual renewal of registration as Notary Bond Surety  
Corporation-----\$ 50

**SECTION 20. MISCELLANEOUS FEES.**

- (a) Department Compilations to Survey, Questionnaire, Report and  
Data Compilation Requests (excluding government agencies)-----\$ 250
- (b) Filing & processing of Security Deposit releases, various Licensees----\$ 75
- (c) Filing substitute securities for Security Deposit releases,  
various Licensees-----\$ 50
- (d) Initial and annual registration on Department mailing list for  
receipt of bulletins, rules and regulations (excluding all  
licensees, registrants, permittees, and government agencies)-----\$ 35
- (e) Service of Process, 2 copies of each legal pleading or process,  
per insurer, other licensee, or other entity doing business in  
Arkansas under statutes requiring Commissioner's service  
duties, per transaction-----\$ 25
- (f) Monies collected for checks issued to the Department which are  
returned to payor for insufficient funds-----\$ 20
- (g) Security deposit confirmations, per confirmation-----\$ 10
- (h) Certificate for securities on deposit-----\$ 10
- (i) Certification of documents-----\$ 5  
(Coupled with the \$5 fee in Ark. Code Ann. §23-61-401(14)(B)  
the total fee due is \$10.)

**SECTION 21. INFORMATION SYSTEMS SERVICES.**

- (a) Licensed Company Listings With Agent Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
1. Life & Disability Cos.	\$240	\$170
2. Property & Casualty Cos.	\$240	\$170
3. Single Company	\$10	\$5

- (b) Licensed Company Listings Without Agent Appointments

	<u>Paper/Disk/CD/E-Mail</u>
1. All Companies	\$50
-Foreigns	\$45
-Domestics	\$5
2. Life & Disability	\$25
-Foreigns	\$20
-Domestics	\$5
3. Property & Casualty	\$25
-Foreigns	\$25

-Domestics	\$5
4. Fraternal Benefit Societies	\$5
5. Farmers Mutual Aid Assns.	\$5
6. Title Insurers	\$5
7. MET's & MEWA's	\$5
8. Third Party Administrators	\$5
9. Purchasing Groups	\$5
10. Risk Retention Groups	\$5
11. Surplus Lines Insurers	\$5
12. Health Maintenance Orgs.	\$5
13. Auto Clubs or Assns.	\$5
14. Surety Insurers	\$5
15. Notary Bond Surety Cos.	\$5
16. Workers' Comp. Cos.	\$5
17. Employee Leasing Cos.	\$5
18. Acc./Trust. Reinsurers	\$5
19. Viatical Providers	\$5

## (c) Licensed Agent Listings With Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
1. Life & Disability Agents	\$240	\$170
2. Property & Casualty Agents	\$240	\$170
3. Single Agent	\$10	\$5

## (d) Licensed Agent Listings Without Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
1. All Agents	\$80	\$70
2. Life & Disability Agents	\$30	\$20
3. Life Agents	\$15	\$15
4. Disability Agents	\$15	\$15
5. Multi-line Agents	\$30	\$20
6. Brokers	\$10	\$10
7. Consultants	\$5	\$5
8. RRG Agents	\$5	\$5
9. Purchasing Group Brokers	\$5	\$5
10. Adjusters	\$5	\$5
11. Surplus Lines Brokers	\$5	\$5
12. Managing General Agents	\$5	\$5
13. Reinsurance Intermediaries	\$5	\$5
14. Viatical Brokers	\$5	\$5

## (e) Licensed Agency Listings With Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
All Agencies	\$240	\$170

## (f) Licensed Agency Listings Without Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
All Agencies	\$75	\$50

If partial lists of licensees or licensees of a limited line or category are requested, the Commissioner may charge a reasonable fee less than the foregoing amounts.

\*Large reports will only be done on CDs.

\*Reports on labels will be \$4 extra per 1,000.

#### SECTION 22. TRUST FUND DEPOSIT REQUIRED.

All fees imposed pursuant to this Rule and Regulation SHALL BE DUE AND PAYABLE TO THE "STATE INSURANCE DEPARTMENT TRUST FUND". Fees paid pursuant to this Rule shall whenever possible, be directed to the specific Division of the Department handling the filing, or as otherwise directed by the Department.

All of the fees required by this Rule shall be payable by COMPANY, AGENT OR AGENCY CHECKS, PERSONAL, CERTIFIED OR CASHIER'S CHECKS, CASH OR MONEY ORDERS. As noted above, where both current Code and this Rule require a fee as to the same product, filing or service, both may be combined in one payment payable to "THE STATE INSURANCE DEPARTMENT TRUST FUND".

#### SECTION 23. CUMULATIVE/NONREFUNDABLE FEES

**All fees and penalties imposed under this Rule are cumulative and in addition to any other licensure, exam, appointment, or registration fee, tax, premium tax, assessment, fine or penalty required by the provisions of any other Arkansas Code or Rule Section. To that extent, the provisions of this Rule are not designed to or intended to affect, interfere with or otherwise supersede other fee or penalty collections and deposits pursuant to other Arkansas Law or Rule Provisions.**

#### SECTION 24. SCRIVENERS' ERRORS.

The Commissioner may, in his discretion, waive any fee set forth in this Rule and Regulation for the filing of any document or thing, if he determines that such filing is, in fact, a re-filing made solely to correct scriveners' or other errors. In such event, nonetheless, the Commissioner may charge a reasonable "processing fee" which shall not exceed \$50.

#### SECTION 25. PENALTIES.

(a) **GENERAL.** Upon failure of the applicant, licensee, registrant, permittee, or other person to pay the fees required by this Rule and Regulation or to pay them timely when due, absent an extension granted by the Commissioner, the Commissioner may after notice and a hearing and in his reasonable discretion, deny the license, registration or permit or Certificate of Authority requested (or renewal license, registration, permit or Certificate of Authority requested) in his order, or may order suspension or revocation of the delinquent person's license, permit, registration or Certificate of Authority. If the Commissioner orders a suspension, it shall continue until all fees and penalties are remitted to "The State Insurance Department Trust Fund", up to a full twelve (12) months, at which time the Commissioner may in his discretion order continuation of the suspension for an additional twelve (12) months, or may order revocation or cancellation of the license, registration, permit, or Certificate of Authority for violations of his Order and this Rule and Regulation. All such licensees, registrants and permittees upon written request shall have the right to and shall be granted a hearing before the Commissioner or his designee, pursuant to Ark. Code Ann. §23-61-303(b), unless voluntarily waived.

(b) **INSURERS.** Absent the Commissioner's approval of a time extension for good cause shown on or before the due date, all licensed insurers failing timely to report and/or pay the fees when due may be subject to an automatic penalty of One Hundred Dollars (\$100) a day for each day of delinquency, payable to "The State Insurance Department Trust Fund".

(c) **CIVIL OR ADMINISTRATIVE ACTION.** The Commissioner on behalf of "The State Insurance Department Trust Fund" may pursue any civil cause of action for collection of the fees and penalties due under this Rule, or may pursue any claims against a security deposit as the Commissioner is entitled to make, or may reject or refuse to accept or disapprove any companion filing or license request, or may pursue any combination of these remedies as appropriate. In the event the Commissioner pursues a civil cause of action on behalf of "The State Insurance Department Trust Fund", he shall be entitled to request and recover all costs of collection, including reasonable attorney fees and expenses, if and as incurred.

(d) **DOCTRINE OF ELECTION OF REMEDIES.** The doctrine of election of remedies shall not be imposed against the Commissioner; i.e. he is entitled to seek all appropriate administrative and judicial remedies in protection of "The State Insurance Department Trust Fund" and the public interest.

**SECTION 26. SEVERABILITY.**

If any provision of this Rule or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Rule which can be given effect without the invalid provisions or application, and to this end, the provisions of this Rule are declared to be severable.

\_\_\_\_\_  
ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

\_\_\_\_\_  
DATE

**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Arkansas Insurance Department

**DIVISION** Legal

**PERSON COMPLETING THIS STATEMENT** Gray Turner

**TELEPHONE NO.** \_\_\_\_\_ **FAX NO.** 5013712618 **EMAIL:** gray.turner@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** Arkansas Insurance Department Administrative and Regulatory Fees - Rule 57 - Amended

- 1. Does this proposed, amended, or repealed rule have a financial impact?      Yes       No
- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?      Yes       No
- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered?      Yes       No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost; \_\_\_\_\_
- (b) The reason for adoption of the more costly rule; \_\_\_\_\_
- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and; \_\_\_\_\_
- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain. \_\_\_\_\_

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

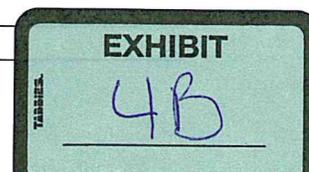
(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

**Next Fiscal Year**

General Revenue Unknown at this time  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

General Revenue Unknown at this time  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_



Total                      Unknown at this time                      Total                      \_\_\_\_\_

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_  
 Total \_\_\_\_\_

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_  
 Total \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

**Next Fiscal Year**

Between \$20  
 \$ and \$40.

Between \$20  
 \$ and \$40

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

**Next Fiscal Year**

Unknown at  
 \$ this time

Unknown at  
 \$ ths time

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes       No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS  
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY Arkansas Insurance Department  
DIVISION Legal  
DIVISION DIRECTOR Suzanne Tipton  
CONTACT PERSON Gray Turner  
ADDRESS 1200 W 3<sup>rd</sup> Str., Little Rock Ar 72201  
PHONE NO. 5013712829 FAX NO. 5013712618 E-MAIL gray.turner@arkansas.gov  
NAME OF PRESENTER AT COMMITTEE MEETING Gray Turner  
PRESENTER E-MAIL Gray.turner@arkansas.gov

**INSTRUCTIONS**

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

**Donna K. Davis  
Administrative Rules Review Section  
Arkansas Legislative Council  
Bureau of Legislative Research  
One Capitol Mall, 5<sup>th</sup> Floor  
Little Rock, AR 72201**

\*\*\*\*\*

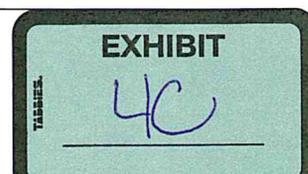
1. What is the short title of this rule? Arkansas Insurance Department: Insurance Department  
Adminsitrative and Regulatory Fees Rule 57 - Amended

2. What is the subject of the proposed rule? Fees for Pre-license education administration

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes  No   
If yes, please provide the federal rule, regulation, and/or statute citation. \_\_\_\_\_

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes  No   
If yes, what is the effective date of the emergency rule? \_\_\_\_\_

When does the emergency rule expire? \_\_\_\_\_



Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes

No

5. Is this a new rule? Yes  No

If yes, please provide a brief summary explaining the regulation. \_\_\_\_\_

Does this repeal an existing rule? Yes  No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. Please see attached summary.

Is this an amendment to an existing rule?

Yes  No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. Ark. Code Ann. § 23-61-708.

7. What is the purpose of this proposed rule? Why is it necessary? The purpose of this rule is to establish new fees for the administration of supervising and approving the use of electronic educational material and coursework.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). <http://insurance.arkansas.gov/prop-rules.htm>

9. Will a public hearing be held on this proposed rule? Yes  No

If yes, please complete the following:

Date: December 10, 2015

Time: 9:00

Place: Ark Insurance Dep't

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

December 10, 2015

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

February 1, 2016

12. Do you expect this rule to be controversial? Yes  No

If yes, please explain. \_\_\_\_\_

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?

Please provide their position (for or against) if known.



No groups have been identified at this time.

---

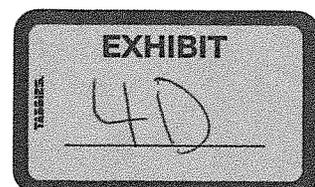


**SUMMARY**

**AID PROPOSED AMENDED RULE 57**

**Insurance Department Administrative and Regulatory Fees**

- The Arkansas Insurance Department is responsible for establishing educational requirements for persons seeking an insurance producer's license.
- This amended rule is a companion to amended Arkansas Insurance Department Rule 31, that will allow pre-licensing applicant to participate in 100% online educational courses. At this time, current rules prevent applicants from participating exclusively online. Instead they are required to receive most of the educational requirements in person in a classroom.
- This rule will authorize the department to charge a \$1 fee per credit hour of electronic pre-licensing instruction for the administration of a program to monitor the successful implementation and completion of online educational courses.
- Producer applicants may avoid paying this fee if they participate exclusively in classroom education.



# Arkansas Democrat Gazette

## STATEMENT OF LEGAL ADVERTISING

ARK INSURANCE DEPARTMENT  
1200 W THIRD  
LITTLE ROCK AR 72201

REMIT TO:  
ARKANSAS DEMOCRAT-GAZETTE, INC.  
P.O. BOX 2221  
LITTLE ROCK, AR 72203

ATTN: Pam Looney  
DATE : 11/09/15 INVOICE #: 3062485  
ACCT #: L801001 P.O. #:

BILLING QUESTIONS CALL 378-3812

STATE OF ARKANSAS, )  
COUNTY OF PULASKI, ) ss.

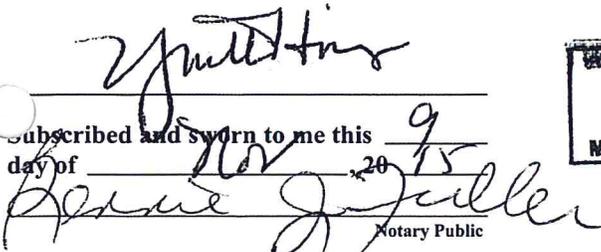
I, Yvette Hines, do solemnly swear that I am the Legal Billing Clerk of the Arkansas Democrat - Gazette, a daily newspaper printed and published in said County, State of Arkansas; that I was so related to this publication at and during the publication of the annexed legal advertisement in the matter of:

hearing  
pending in the Court, in said County, and at the dates of the several publications of said advertisement stated below, and that during said periods and at said dates, said newspaper was printed and had a bona fide circulation in said County; that said newspaper had been regularly printed and published in said County, and had a bona fide circulation therein for the period of one month before the date of the first publication of said advertisement; and that said advertisement was published in the regular daily issues of said newspaper as stated below.

DATE	DAY	LINAGE	RATE	DATE	DAY	LINAGE	RATE
11/07	Sat	33	1.35				
11/08	Sun	33	1.57				
11/09	Mon	33	1.35				

TOTAL COST ----- 140.91  
Billing Ad #: 73444338

Subscribed and sworn to me this 9 day of Nov 2015

  
Notary Public

**SPECIAL SEAL # 12381354**  
**BENNIE J. FULLER**  
NOTARY PUBLIC - ARKANSAS  
PULASKI COUNTY  
MY COMMISSION EXPIRES: 3-21-2021

### AD COPY

**NOTICE OF PUBLIC HEARING**  
The Arkansas Insurance Department will host a Public Hearing on December 10, 2015, beginning at 9:00 a.m. in the First Floor Hearing Room, Arkansas Insurance Department, 1200 West Third Street (Third and Cross Streets), Little Rock, Arkansas, to consider adoption of proposed RULE 57: "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES". Copies of proposed Rule 57 may be obtained by writing or calling the Arkansas Insurance Department, or by visiting our Internet site at <http://www.insurance.arkansas.gov/prop-rules.htm>. Or [www.accessarkansas.org/insurance](http://www.accessarkansas.org/insurance) for links there. For more information, please contact Ms. Lorraine Rowland, Legal Division, Arkansas Insurance Department at 501-371-2620.  
73444338f

**RECEIVED**

NOV 12 2015

**ACCOUNTING**  
ARKANSAS INSURANCE DEPARTMENT

**EXHIBIT**  
5

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

November 6, 2015

Arkansas Secretary of State  
State Capitol Building  
Little Rock, AR 72201  
Attn. Arkansas Register

Re: Proposed Rule 57, "INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES"

Dear Secretary of State:

Arkansas Act 1478 of 2003 adds to requirements for adoption and re-adoption of public agency rules and regulations. In that regard, the new Act:

- (a) Requires notice of proposed Rule 57, as well as the Public Rule Hearing at the Arkansas Insurance Department, to be published by the Arkansas Secretary Of State on the Internet for thirty (30) days pursuant to Ark. Code Ann. § 25-15-218 of the Arkansas Administrative Procedure Act, as amended; and
- (b) Requires DOI filing of its adopted and proposed rules and notices with the Arkansas Secretary Of State in an electronic format acceptable to the Secretary.

In that regard, the Department has scheduled a public hearing as to proposed adoption of Rule 57. Enclosed are the DOI Notices of Public Hearing and a copy of the proposed rule.

Please arrange to publish the information in a format acceptable to the Secretary for at least 30 days in advance. Can you send us confirmation that we can use in the transcript as a public hearing exhibit?

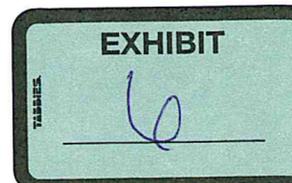
An electronic filing will be made within the statutorily required 7 days. Thanks for your help.

Sincerely,

A handwritten signature in cursive script that reads "Gray Turner".

Gray Turner  
Associate Counsel/Legal Division  
Gray.Turner@arkansas.gov  
501-371-2820

BY \_\_\_\_\_  
STATE OF ARKANSAS  
SECRETARY OF STATE  
MARK J. HARRIS  
15 NOV - 6 PM 12:58  
REGISTER DIV.  
FILED



## Brandy Wedsted

---

**From:** Brandy Wedsted  
**Sent:** Friday, November 06, 2015 1:48 PM  
**To:** 'josh.bridges@sos.arkansas.gov'  
**Cc:** Brandy Wedsted; LoRraine Rowland  
**Subject:** Proposed Amended Rule 57  
**Attachments:** File Stamped Proposed Amended Rule 57.pdf; Notice of Public Hearing - Proposed Amended Rule 57.pdf

Josh,

Please find attached the Proposed Amended Rule and Notice of Public Hearing for Proposed Rule 57. Upon your receipt, please confirm that you have received the attached documents.

Thank you,

*Brandy Wedsted*  
*Legal Support Specialist/Legal Division*  
*Arkansas Insurance Department*  
*1200 West 3<sup>rd</sup> Street*  
*Little Rock, AR 72201*  
*(Office Phone) 501-371-2832*  
*(Office Fax) 501-371-2639*  
[brandy.wedsted@arkansas.gov](mailto:brandy.wedsted@arkansas.gov)

From: Pires, Anna [PRI-1PP] [mailto:Anna.Pires@Primerica.com]

Sent: Tuesday, November 24, 2015 12:56 PM

To: AID License Mail

Subject: Proposed Rule 57

Good Afternoon,

I am hoping you can provide some assistance with the recently proposed Rule 57, the synopsis of the rule states the only fee change is to add the \$1 fee per credit hour for pre-licensing, however upon review of the rule there are other fee changes indicated in the rule, for example the appointment fees are currently \$60 but the new rule states \$30 for non-residents and similarly the fee for residents are half of what is the current fee. Also the licensing fee and renewal fees are different than the required fees and the fee speak of a 7/1/98 beginning date. The current Rule 57 has an effective date of 1/1/2011? I am wondering whether the proposed rule made changes to an outdated version of 57 or are the fee actually decreasing as the proposed rule indicates?

Any help in this matter would be greatly appreciated. Thank you in advance for your assistance.

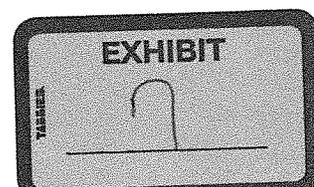
Anna Pires, FLMI, ACS, AIRC, AIA

Sr. Paralegal Analyst

Insurance Business Counsel

Primerica Life Insurance Company

470-564-7965



## Brandy Wedsted

---

**From:** Arkansas Insurance Department  
<insurance.legal=arkansas.gov@mail222.suw16.rsgsv.net> on behalf of Arkansas Insurance Department <insurance.legal@arkansas.gov>  
**Sent:** Friday, November 06, 2015 2:21 PM  
**To:** Brandy Wedsted  
**Subject:** Proposed Amended Rule 57: "Insurance Department Administrative and Regulatory Fees"

Proposed Amended Rule 57: "Insurance Department Administrative and Regulatory Fees"

[View this email in your browser](#)

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

---

## Legal Notice

### Proposed Amended Rule 57

Please click on the link below to view the Department's Proposed Amended Rule 57, "Insurance Department Administrative and Regulatory Fees".

<http://insurance.arkansas.gov/prop-rules.htm>

Direct your inquiries to Gray Turner, Legal Division of the Arkansas Insurance Department at (501) 371-2820 or [insurance.legal@arkansas.gov](mailto:insurance.legal@arkansas.gov).

---

You are receiving this email because you opted in at our website or because you provided your email address when applying for a license with AID. If you no longer wish to receive emails from the Arkansas Insurance Department, please click [unsubscribe from this list](#).

EXHIBIT

8

[update subscription preferences](#)

**1200 West Third Street, Little Rock, AR 72201-1904 · (501) 371-2600 · (501) 371-2618 fax · [www.insurance.arkansas.gov](http://www.insurance.arkansas.gov)  
Information (800) 282-9134 · Consumer Services (800) 852-5494 · Seniors (800) 224-6330 · Criminal Inv. (866) 660-0888**

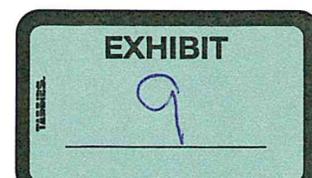
**RULE 57**  
**INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES**

**SECTIONS**

1. PURPOSE.
2. AUTHORITY, SCOPE, AND APPLICATION.
3. EFFECTIVE DATE.
4. DERIVATION AND CLASSES OF FEES.
5. INSURERS.
6. PRODUCERS, AGENCIES, BROKERS, VIATICAL SETTLEMENT AGENTS AND BROKERS, ADJUSTERS, LIMITED ADJUSTERS, CONSULTANTS, RISK RETENTION GROUP AGENTS, PURCHASING GROUP BROKERS, SURPLUS LINE BROKERS, SURPLUS LINE BROKERS FOR PURCHASING GROUPS ONLY, HMO AGENTS, PREPAID LEGAL INSURANCE AGENTS, FRATERNAL BENEFIT SOCIETY AGENTS, FMAA AGENTS.
7. INSURANCE HOLDING COMPANY TRANSACTIONS.
8. HEALTH MAINTENANCE ORGANIZATIONS.
9. RATE SERVICE OR ADVISORY ORGANIZATIONS.
10. RISK RETENTION GROUPS.
11. PURCHASING GROUPS.
12. AUTOMOBILE CLUBS OR ASSOCIATIONS.
13. THIRD PARTY ADMINISTRATORS.
14. SERVICE CONTRACT PROVIDERS.
15. CONTINUING CARE FACILITIES.
16. REINSURANCE INTERMEDIARIES.
17. COURSE PROVIDERS FOR AGENT PRE-LICENSING AND CONTINUING EDUCATION: ANNUAL REGISTRATION AND FEES.
18. MANAGING GENERAL AGENTS/AGENCIES.
19. NOTARY BOND SURETY CORPORATIONS.
20. MISCELLANEOUS FEES.
21. INFORMATION SYSTEMS SERVICES.
22. TRUST FUND DEPOSIT REQUIRED.
23. CUMULATIVE/NONREFUNDABLE FEES.
24. SCRIVENERS' ERRORS.
25. PENALTIES.
26. SEVERABILITY.

**SECTION 1. PURPOSE.**

The purpose of this Rule and Regulation is to implement and clarify the pertinent fee provisions of Act 652 of 1993, "The State Insurance Department Trust Fund Act" [codified at Ark. Code Ann. §§ 23-61-701 et seq.]; Act 901 of 1993, the Department's "Omnibus Act"; Act 787 of 1993, the "Life Care Providers Act" [codified at Ark. Code Ann. §§ 23-93-201 et seq.] and others. This Rule is designed to specify the amount, method and manner of payment of nonrefundable administrative and regulatory fees of insurers, agents and other licensees or registrants, as well as other filing fees for various Arkansas Insurance



Department ("Department") products and services, all of which are payable to "The State Insurance Department Trust Fund" ("Trust Fund").

It is also to emphasize that fees charged under current laws are not affected, diminished or altered by the provisions of this Rule. As appropriate, and to the extent fees are charged under other Arkansas laws for the same product, process or service as to which a fee is to be paid pursuant to the Acts referenced herein and this Rule and Regulation, this Rule is to provide for the payment of all of such fees in a coordinated, consistent manner.

## SECTION 2. AUTHORITY; SCOPE AND APPLICATION.

(a) **AUTHORITY.** The Insurance Commissioner hereby promulgates and issues this Rule and Regulation under his authority pursuant to the provisions of Ark. Code Ann. §§23-61-701 et seq., 23-61-108, 25-15-201 et seq., and other applicable Arkansas laws.

(b)(1) **SCOPE AND APPLICATION.** This Rule or any applicable parts shall apply to insurers, agents and other current or former licensees, permittees, registrants, and applicants for licensure of the Insurance Commissioner. Such licensees, registrants or permittees or applicants for licensure shall include but not be limited to:

- (A) **Insurers and Similar Entities:** All licensed domestic, foreign and alien insurance companies, including but not limited to stock and mutual insurers, title insurance companies, mutual assessment life and disability insurers, reciprocal insurers, approved but not admitted surplus line insurers, health maintenance organizations ("HMO's"), fraternal benefit societies, hospital and medical service corporations, stipulated premium insurers, farmers' mutual aid associations ("FMAA's"), prepaid legal insurers, advisory/rate service organizations, property and casualty JUA's, associations, pools and syndicates not qualifying as advisory organizations under §§23-67-101, et seq.;
- (B) **Auto Clubs:** All licensed automobile clubs or associations;
- (C) **Agents and Brokers:** All licensed resident and non-resident insurance agents, brokers, viatical settlement agents and brokers, consultants, risk retention group agents and purchasing group brokers, HMO producers, prepaid legal insurance agents, FMAA agents, all licensed resident and non-resident insurance agencies;
- (D) **TPA's:** All registered third party administrators ("TPA's");
- (E) **Education Course Providers:** All current approved course providers for agent pre-licensure and continuing education;
- (F) **Fraternals:** All licensed fraternal benefit society agents, excluding all officers, members, employees or other representatives exempt from examination or State licensure by statute;
- (G) **Adjusters:** All licensed resident and non-resident adjusters and limited adjusters;
- (H) **Surplus Lines:** All licensed resident surplus line brokers, and all licensed surplus line brokers for purchasing groups only;
- (I) **Continuing Care Facilities;**
- (J) **Notary Bond Surety Corporations;**
- (K) **Managing General Agents/Agencies;**
- (L) **Reinsurance Intermediaries and Accredited/Trusteed Reinsurers;**
- (M) **Professional Employer Organizations and employer Service Assurance Organizations; and**
- (N) **Others:** as mentioned elsewhere in this Rule, or others as applicable.

All persons and entities referred to in paragraphs (b) (1) (A) through (b) (1) (N) may sometimes hereinafter be referred to collectively as "Licensees, Registrants, or Permittees."

(2) All administrative and regulatory fees set forth in this Rule and Regulation are in addition to any other fees imposed under current laws and rules, and shall be paid coincident with the payment of other fees currently owing. However, where practical and as a convenience to the reader, certain statutory fees are referenced within this Regulation to assist the reader in determining the appropriate fee amount, when both the statute and this Regulation charge different fees for the same services. Note also, that a few fees referenced herein list an annual or biennial fee amount but may be due on an annual or biennial schedule.

(3) The Commissioner in his discretion may waive all or any part of any fee assessed under this rule if: (A) the Certificate of Authority, license, permit or registration is suspended or revoked; (B) if the Commissioner finds that the licensee, permittee or registrant is impaired or insolvent, or its continuing operations are hazardous to the public of this State; or (C) if the licensee, permittee or registrant is under domiciliary department supervision of this or another State, or court-ordered conservation, rehabilitation, liquidation or has filed for bankruptcy under Chapter 11 of Title 11, United States Code. Any licensee, permittee, registrant or its domiciliary conservator, rehabilitator, liquidator, or trustee in bankruptcy may request a fee waiver in writing; but the Commissioner may not consider waivers for those failing to file a written request therefor. Upon activation or reinstatement of any suspended certificate of authority, license, permit or registration, or upon approval of a bankruptcy reorganization plan or successful release from conservation or rehabilitation, then the licensee, permittee, or registrant shall automatically commence reporting and payment of any of the fees in this Rule applicable to resumed Arkansas operations under the license, permit or registration. Trust Fund reimbursement for fees which would have been required and assessed but for the waiver during that period shall not be required. Upon failure of any such person, firm, or corporation to file for waiver or pay the fees when due, or upon the Commissioner's denial of the requested waiver, the Commissioner may file his claim on behalf of the Trust Fund against any deposit or other asset of the person, firm or corporation as permitted by insurance and other applicable laws of this State.

(4) It is the intent of the Commissioner not to charge fees for filings which are made with the Department for "informational purposes only", and which are otherwise exempt from filing or not expressly required to be filed by statute, regulation, or order. The Commissioner in his reasonable discretion, reserves the right to determine whether, in fact, a particular filing is truly for informational purposes only.

### SECTION 3. EFFECTIVE DATE.

The provisions of this Rule shall become effective February 1, 2016, upon statutory filing per Arkansas law.

### SECTION 4. DERIVATION AND CLASSES OF FEES.

(a) Ark. Code Ann. §§23-61-701 et seq. provides the Department's authority to generate revenue to support its operations by the imposition of fees; it also divides certain of those fees into two categories, i.e. Category A and Category B. Fees in Category A are those involving material or substantive corporate transactions or those which consume substantial time of Department staff; those fees are capped at a maximum of \$1,500 per transaction. Category B fees, on the other hand, are those involving other Departmental filings, transactions or services which do not require a substantial effort by Department staff; those fees are capped at a maximum of \$50 per transaction.

(b) Caution: §§23-61-701 et seq. and other acts/statutes referenced above, authorize the imposition of other fees set forth in the Rule and Regulation and which are not subject to the respective Category A and Category B "caps".

SECTION 5. INSURERS (See Section 2(b)(1)(A).  
SUBSECTION I.  
CATEGORY "A" FEES (Maximum \$1500)  
(Per Covered Entity, filing, or transaction)

DEPARTMENT SERVICE OR PRODUCT	FEE AMOUNTS
(a) Authorized or Licensed Insurers.	
(1) Department expense for independent actuarial review of previously disapproved rate/rule filing set for hearing at filer's request (excluding Workers' Compensation which is not subject to a monetary cap) EXPENSE AS INCURRED BUT NOT TO EXCEED-----	\$1500
(2) Filing and review of each Bulk or Assumption Reinsurance Agreement-----	\$ 500
(3) Filing and review of all documents necessary for issuance of Certificate of Incorporation for Domestic Insurers----- (Coupled with the \$100 fee in Ark. Code Ann. §23-61-401(1)(A) the total fee due is \$600.)	\$ 500
(4) Reviewing all documents necessary for issuance of Original Certificate of Authority for all Companies----- (Coupled with the \$500 fee in Ark. Code Ann. §23-61-401(1)(C) the total fee due is \$1000.)	\$ 500
(5) Filing notice of appointment of Managing General Agent/Agency or Notice of Termination of Managing General Agent/Agency-----	\$ 500
(6) Review/processing of information necessary to amend an Arkansas Certificate of Authority----- (Coupled with the \$100 fee in Ark. Code Ann. §23-61-401(3)(C) the total fee due is \$500.)	\$ 400
(7)(A) Filing and review of independent rate filings, initial filing to adopt an Advisory Organization's reference filing for loss costs, or filing to change the loss cost multiplier already on file, including companion rule filings required to implement the rate filings (P, C, S, M)----- ("P, C, S, M" signifies property, casualty [including workers' compensation], surety and marine insurance and all other specific lines identified at Ark. Code Ann. §§23-62-104 through 23-62-108.)	\$ 100
(B) Filing to adopt an Advisory Organization's reference for loss costs with no changes to company's loss cost multiplier already on file, including companion rule filing required to implement the new loss cost filing-----	\$ 50
(8) Issuance of an Original Certificate of Incorporation for Domestic Insurers----- (Coupled with the \$50 fee in Ark. Code Ann. §23-61-401(1)(B) the total fee due is \$200.)	\$ 150
(9) Issuance of Original Certificate of Authority for all Companies----- (Coupled with the \$150 fee in Ark. Code Ann. §23-61-401(1)(D) the total fee due is \$300.)	\$ 150
(10) Review and processing of amended Articles of Incorporation, each filing, each insurer-----	\$ 75

(Coupled with the \$25 fee in Ark. Code Ann. §23-61-401(3)(A) the total fee due is \$100.)

- (11) Review/ processing of information necessary to amend an Arkansas Certificate of Authority for an FMAA. \$150
- (12) Review any Corrective Action Plan filed by a licensee up to \$1500
- (13) Review of custodial agreements for broker dealers & banks Under AID Rule 26 \$250
- (14) Review and processing application for Viatical Settlement Provider license and issuance of initial and renewal license \$500
  
- (b) Approved Non-Admitted Surplus Line Insurer.  
Annual continuation of foreign surplus line company registration \$500
- (c) Accredited/Trusteed Reinsurer  
Initial registration and annual renewal for Accredited or Trusteed Status \$500

SUBSECTION II.  
CATEGORY "B" – MAXIMUM \$50  
(Per Covered Entity, Filing or Transaction)

ADMINISTRATIVE AND REGULATORY FEES FEE AMOUNTS

- (a) Compliance.
  - (1) Filing or review of policy/contract, endorsements or certificates, riders, applications, or annuity forms, per submission (not per form)-----\$ 50  
\*Note that a Service purchaser of an Advisory Organization must file the purchased Form for review.
  - (2) Filing/review of each Life and/or Disability rate filing or loss ratio guarantee filing, per form-----\$ 50
  - (3) Filing of an independent rule filing or to adopt a reference or item filing of Advisory Organization, per item (excluding loss cost reference filing)-----\$ 50
  - (4) Filing each set of new/amended or restated By-laws, per insurer, per filing----- \$ 50
  - (5) Life and/or Disability: Filing/review of insurer's advertisements, per advertisement, per each insurer-----\$ 50
  - (6) Policy, contract or annuity forms: Filing and review of each life and/or disability certificate rider, application, or endorsement, if filed separately from basic form, per insurer----- \$ 50
  - (7) Policy and contract forms, all lines, filing corrections in previously filed policy and contract forms-----\$ 50
  - (8) Filing of each insurer address change, not involving an amendment to a Certificate of Authority or Articles of Incorporation, per filing, per insurer-----\$ 50
  - (9) Filing of Department Forms I-71 as to cancellation/nonrenewal of all appointed insurance

- agents and agencies after a Name change or after Merger or Consolidation of two or more insurers-----\$ 10
- (10) Each filing of an individual Department Form I-71 as to cancellations/nonrenewals of agent appointments, each appointment, each insurer-----\$ 10
- (11) Preparation and execution of Certificates of Compliance for insurers-----\$ 15  
(Coupled with the \$5 fee in Ark. Code Ann. §23-61-401(14)(B) the total fee due is \$20.)
- (13) Filing I-48 agent appointment forms for all appointed insurance agents and agencies in the new name of an insurer after a Name Change or after Merger or Consolidation of two or more insurers-----\$ 10

(b) Insurers' appointments of Insurance Agents and Agencies. In addition to and as an increase of all other current agent license fees paid by insurers and others in connection with initial and renewal agent appointments under the Insurance Code or other applicable laws or rules, the following additional fees are hereby assessed insurers.

All PRODUCERS AND AGENCIES must note that even though statutorily, appointment fees are payable by insurers and even though Ark. Code Ann. §23-61-708(d) makes it clear that this economic burden must be borne by insurers, it is, nonetheless, the dual responsibility of agents and agencies to make sure that appointments are kept current.

- (1) Initial appointment of non-resident insurance agent -----\$ 60
- (2) Initial appointment of non-resident agency, including one (1) qualifying individual-----\$ 60
- (3) Annual fee for insurer's continuing appointment of non-resident insurance agent-----\$ 60
- (4) Annual fee for insurer's continuing appointment of non-resident agency, including one (1) qualifying individual-----\$ 60
- (5) Initial appointment and annual continuation of resident agent, individuals only, for full line appointments (life, disability and multi-line)-----\$ 10
- (6) Initial appointment and annual continuation of resident agent, individuals only, for limited line appointments-----\$ 10
- (7) Initial appointment and annual continuation of each resident agency, including one (1) qualifying individual, for full line appointments (life, disability and multi-line)-----\$ 10
- (8) Initial appointment and annual continuation of each resident agency, including one (1) qualifying individual, for limited line appointments-----\$ 10
- (9) **Pre-licensing Electronic Education Fee, per hour of instruction---\$ 1.00**

(See Ark. Code Ann. §23-61-401 for additional agent/agency fees. The statutory fee for appointment of resident producers is \$10. There is no statutory fee for the appointment of non-resident producers)

**SECTION 6. ADMINISTRATIVE AND REGULATORY ANNUAL FEE**

PRODUCERS, AGENCIES, BROKERS, VIATICAL SETTLEMENT AGENTS AND BROKERS, ADJUSTERS, LIMITED ADJUSTERS, CONSULTANTS, RISK RETENTION GROUP AGENTS, PURCHASING GROUP BROKERS, SURPLUS LINE BROKERS, SURPLUS LINE BROKERS FOR PURCHASING GROUPS ONLY, HMO PRODUCERS,

**PREPAID LEGAL INSURANCE AGENTS, FRATERNAL BENEFIT SOCIETY AGENTS, FMAA AGENTS, AND THIRD PARTY ADMINISTRATORS**

- (a) Effective until January 1, 2011, all initial licenses and all renewal licenses for the above referenced licensees will be issued on an annual basis and the annual administrative and regulatory fee will be collected annually. All individual licensees shall pay the annual administrative and regulatory fee to renew their licenses on or before their birthday and annually on their birthday thereafter. All entities shall pay the annual administrative and regulatory fee to renew their licenses on or before October 1 of each subsequent year.
- (b) Effective January 1, 2011, the annual administrative and regulatory fee will be collected biennially under the following schedule:
- (1) The renewal of licenses will be based on the licensee's birthday. For licensees with a birth year ending in an odd number, their license will be renewed for a period of two years and will have an expiration date of 2013. Accordingly, these licensees will pay two annual fees at renewal. For licensees with a birth year ending in an even number, their license will be renewed for an initial period of one year with an expiration date of 2012. Accordingly, these licensees will only pay one annual fee at this time. When their licenses are renewed in 2012, those licenses will be for a period of two calendar years with an expiration date of 2014.
  - (2) For all new licenses issued on or after January 1, 2011, the licenses will be issued for a period of two calendar years and the licensee will pay two annual fees. Licenses issued in 2011 will expire in 2013.
  - (3) All licenses issued or renewed for a period of two calendar years will expire on the licensee's birth date in the calendar year of expiration.
  - (4) For licenses issued to business entities licensed as producers and surplus lines brokers, and third party administrators, the initial license and the renewal license will be issued for a period of one year. The annual administrative and regulatory fee must be paid on or before October 1 of every year in order to renew a business entity producer license. The renewal date for surplus lines brokers license for business entities and third party administrators is January 1 of every year.
- (c) **TYPE OF LICENSE:** The phrase "type of license" refers to the particular kind of license held by the licensee rather than the type or line of business the license authorizes the licensee to transact. Thus, an agent authorized to transact one or more lines of insurance still has only one license, and the applicable fee is \$35. If however, the same licensee also holds a broker's license and a surplus line broker's license (a total of 3 licenses), the licensee would owe three (3) separate fees of \$35 each, for a total of \$105.
- (d) Effective July 31, 2009, Section 1 of Act 901 of 1993 was repealed. Accordingly, insurers may pay the license fees set forth above and any statutory license fees.

**SECTION 7. INSURANCE HOLDING COMPANY TRANSACTIONS.**

(Fees below are per each holding company, not per each licensed insurer.)

**All Category A Fees**

- (a) Filing and review of each Form A on Acquisitions/Change in Control (DOMESTIC ONLY)-----\$1000
- (b) Filing and review of each Request for Exemption from Filing of Registration Statements or Amendments (FORM B) (FOREIGN & ALIEN COMPANIES)-----\$ 100

- (c) Filing/review of Holding Company Registration Statement (Forms B and C) (all companies)-----\$ 100
- (d) Filing and review of Amendments to Holding Company Registration Statements, including annual refiling (Form B) (all companies)----\$ 50
- (e) Filing Pre-Acquisition Notifications (Form E) or requests for exemptions therefrom per Ark. Code Ann. §§23-63-525 - 530-----\$ 100
- (f) Filing and Review of Registration Statements – Material Transactions with Affiliates (Form D) (Domestics)-----\$ 100

#### SECTION 8. HEALTH MAINTENANCE ORGANIZATIONS.

- (a) Filing Pre-Acquisition Notification for Mergers/Charter Sales and Bulk Reinsurance Agreements Category A Fee-----\$ 100
- (b) Filing and review of provider contracts, per HMO, per contract Form Category B Fee-----\$ 50
- (c) Filing/Review of Enrollee's Certificate Category B Fee-----\$ 50  
(See Ark. Code Ann. §23-76-127 for additional HMO fees.)

#### SECTION 9. RATE SERVICE OR ADVISORY ORGANIZATIONS

##### All Category A Fees

- (a) Department Expense for independent actuarial review of previously disapproved rate/rule filing set for hearing at the request of the advisory organization (excluding Workers' Compensation which is not subject to a monetary cap. EXPENSE AS INCURRED BUT NOT TO EXCEED-----\$1500
- (b) Filing and review of loss cost filings per Advisory Organization (P, C, S, M)-----\$ 250
- (c) Filing and review of a policy/contract, endorsement or certificate, per item (P, C, S, M)-----\$ 100  
\*Maximum fee of \$500
- (d) Rule Filings – Filing Minor Rate Component Modifications-----\$ 50
- (e) Review/ issue renewal license-----\$ 100  
This is in addition to the renewal fee in Ark. Code Ann. §23-61-401.

#### SECTION 10. RISK RETENTION GROUPS.

- (a) Initial Registration Fee Category A Fee -----\$ 250
- (b) Renewal Registration Fee (MARCH 1ST) Category A Fee-----\$ 100
- (c) Filing Annual Statement Category B Fee-----\$ 50
- (d) Filing and review of any information that changes any information required in the application for a certificate of registration -----\$ 100
- (e) Filing/ review of name change or address change Category B Fee -----\$ 25

#### SECTION 11. PURCHASING GROUPS.

- (a) Initial Registration Fee Category A Fee-----\$ 150
- (b) Renewal Registration Fee (MARCH 1ST) Category A Fee-----\$ 100

#### SECTION 12. AUTOMOBILE CLUBS OR ASSOCIATIONS.

- (a) Filing Annual Financial Statement (APRIL 1<sup>ST</sup>) Category A Fee-----\$ 100
- (b) Form Filing, per club, per form Category B Fee-----\$ 50
- (c) Review of all documents necessary for and issuance of certificate of authorization Category A Fee-----\$ 250

#### SECTION 13. THIRD PARTY ADMINISTRATORS.

All new applicants for registration as a third party administrator ("TPA"), and all previously registered TPA'S shall pay the following filing and processing fee for issuance/renewal of each

certificate of registration, in addition to all other registration fees imposed by §§23-92-201, et seq., other fees addressed in this Rule, or fees imposed under other sections of Arkansas law. The fees imposed under this Section and any others as required shall accompany the TPA application for the initial registration, or renewal. Category B Fee-----\$ 40  
(Coupled with the \$25 fee in Ark. Code Ann. §23-92-203 and the \$35 administrative and regulatory fee in Section 6 the total fee due is \$100.)

**SECTION 14. SERVICE CONTRACT PROVIDERS**

(a) Filing changes to the registration required in Ark. Code Ann. §4-114-104(c)(1) Category B Fee-----\$ 50

**SECTION 15. CONTINUING CARE FACILITIES**

(a) Filing Annual Disclosure Statement, each statement, per each facility/provider and/or appointing Commissioner as agent for service of process, each provider Category A Fee -----\$ 100  
(b) Filing and review of initial registration application, for each facility/provider Category A Fee-----\$ 250

**SECTION 16. REINSURANCE INTERMEDIARIES.**

(a) Filing initial application for license as reinsurance intermediary-manager-----\$ 500  
(b) Filing initial application as reinsurance intermediary-broker-----\$ 300  
(c) Annual renewal fee for reinsurance intermediary-manager-----\$ 100  
(d) Annual renewal fee for reinsurance intermediary-broker-----\$ 75  
(e) Designation of Commissioner as Agent for service of process for non-resident manager or broker-----\$ 75

**SECTION 17. COURSE PROVIDERS FOR AGENT PRE-LICENSING AND CONTINUING EDUCATION: ANNUAL REGISTRATION AND FEES.**

(a) Annual Registration. Pursuant to Ark. Code Ann. §§23-61-701 et seq., all approved course providers for agent pre-licensing and continuing education shall register on September 1st annually with the Department on forms prescribed by the Insurance Commissioner

(b) Fees.  
(1) Pre-Licensing Education.  
Each original registration and/or annual renewal of a course provider for agent pre-licensing education. Category A Fee- \$ 100  
(2) Continuing Education.  
Each original registration and/or annual renewal of a course provider for agent continuing education. Category A Fee--\$ 100

**SECTION 18. MANAGING GENERAL AGENTS/AGENCIES.**

Filing application for initial licensure and annual renewal-----\$ 500  
Category A Fee

**SECTION 19. NOTARY BOND SURETY CORPORATIONS.**

Initial and/or annual renewal of registration as Notary Bond Surety Corporation Category B Fee-----\$ 50

## SECTION 20. MISCELLANEOUS FEES.

## (a) Category A Fees

- (1) Department Compilations to Survey, Questionnaire, Report and Data Compilation Requests (excluding government agencies)---\$ 250  
 (2) Filing & processing of Security Deposit releases-----\$ 75

## (b) Category B Fees

- (1) Adding/ deleting individual producers from agency licenses --\$10  
 (2) Filing substitute securities for Security Deposit releases, various Licensees-----\$ 50  
 (3) Service of Process, 2 copies of each legal pleading or process, per insurer, other licensee, or other entity doing business in Arkansas under statutes requiring Commissioner's service duties, per transaction-----\$ 25  
 (4) Monies collected for checks issued to the Department which are returned to payor for insufficient funds-----\$ 20  
 (5) Security deposit confirmations, per confirmation-----\$ 10  
 (6) Certificate for securities on deposit-----\$ 10  
 (7) Certification of documents-----\$ 5  
 (Coupled with the \$5 fee in Ark. Code Ann. §23-61-401(14)(B) the total fee due is \$10.)  
 (8) Certificates of valuation-----\$ 10  
 (9) Letters of clearance/certification. Per license and per letter----\$ 5  
 (10) Filing and review of name or address change for business entities-----\$ 10  
 (11) Copy fee for all documents including FOIA requests (per copy) \$ .25

## SECTION 21. INFORMATION SYSTEMS SERVICES.

## (a) Licensed Company Listings With Agent Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
1. Life & Disability Cos.	\$240	\$170
2. Property & Casualty Cos.	\$240	\$170
3. Single Company	\$10	\$5

## (b) Licensed Company Listings Without Agent Appointments

	<u>Paper/Disk/CD/E-Mail</u>
1. All Companies	\$50
-Foreigns	\$45
-Domestics	\$5
2. Life & Disability	\$25
-Foreigns	\$20
-Domestics	\$5
3. Property & Casualty	\$25
-Foreigns	\$25
-Domestics	\$5
4. Fraternal Benefit Societies	\$5
5. Farmers Mutual Aid Assns.	\$5
6. Title Insurers	\$5
7. MET's & MEWA's	\$5
8. Third Party Administrators	\$5
9. Purchasing Groups	\$5
10. Risk Retention Groups	\$5

11. Surplus Lines Insurers	\$5
12. Health Maintenance Orgs.	\$5
13. Auto Clubs or Assns.	\$5
14. Surety Insurers	\$5
15. Notary Bond Surety Cos.	\$5
16. Workers' Comp. Cos.	\$5
17. Employee Leasing Cos.	\$5
18. Acc./Trust. Reinsurers	\$5
19. Viatical Providers	\$5

## (c) Licensed Agent Listings With Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
1. Life & Disability Agents	\$240	\$170
2. Property & Casualty Agents	\$240	\$170
3. Single Agent	\$10	\$5

## (d) Licensed Agent Listings Without Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
1. All Agents	\$50	\$50
2. Life & Disability Agents	\$30	\$20
3. Life Agents	\$15	\$15
4. Disability Agents	\$15	\$15
5. Multi-line Agents	\$30	\$20
6. Brokers	\$10	\$10
7. Consultants	\$5	\$5
8. RRG Agents	\$5	\$5
9. Purchasing Group Brokers	\$5	\$5
10. Adjusters	\$5	\$5
11. Surplus Lines Brokers	\$5	\$5
12. Managing General Agents	\$5	\$5
13. Reinsurance Intermediaries	\$5	\$5
14. Viatical Brokers	\$5	\$5

## (e) Licensed Agency Listings With Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
All Agencies	\$240	\$170

## (f) Licensed Agency Listings Without Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
All Agencies	\$75	\$50

If partial lists of licensees or licensees of a limited line or category are requested, the Commissioner may charge a reasonable fee less than the foregoing amounts.

\*Large reports will only be done on CDs.

\*Reports on labels will be \$4 extra per 1,000.

## SECTION 22. TRUST FUND DEPOSIT REQUIRED.

All fees imposed pursuant to this Rule and Regulation SHALL BE DUE AND PAYABLE TO THE "STATE INSURANCE DEPARTMENT TRUST FUND". Fees paid

pursuant to this Rule shall whenever possible, be directed to the specific Division of the Department handling the filing, or as otherwise directed by the Department.

All of the fees required by this Rule shall be payable by COMPANY, AGENT OR AGENCY CHECKS, PERSONAL, CERTIFIED OR CASHIER'S CHECKS, CASH OR MONEY ORDERS. As noted above, where both current Code and this Rule require a fee as to the same product, filing or service, both may be combined in one payment payable to "THE STATE INSURANCE DEPARTMENT TRUST FUND".

#### SECTION 23. CUMULATIVE/NONREFUNDABLE FEES

All fees and penalties imposed under this Rule are cumulative and in addition to any other licensure, exam, appointment, or registration fee, tax, premium tax, assessment, fine or penalty required by the provisions of any other Arkansas Code or Rule Section. To that extent, the provisions of this Rule are not designed to or intended to affect, interfere with or otherwise supersede other fee or penalty collections and deposits pursuant to other Arkansas Law or Rule Provisions.

#### SECTION 24. SCRIVENERS' ERRORS.

The Commissioner may, in his discretion, waive any fee set forth in this Rule and Regulation for the filing of any document or thing, if he determines that such filing is, in fact, a re-filing made solely to correct scriveners' or other errors. In such event, nonetheless, the Commissioner may charge a reasonable "processing fee" which shall not exceed \$50.

#### SECTION 25. PENALTIES.

(a) GENERAL. Upon failure of the applicant, licensee, registrant, permittee, or other person to pay the fees required by this Rule and Regulation or to pay them timely when due, absent an extension granted by the Commissioner, the Commissioner may after notice and a hearing and in his reasonable discretion, deny the license, registration or permit or Certificate of Authority requested (or renewal license, registration, permit or Certificate of Authority requested) in his order, or may order suspension or revocation of the delinquent person's license, permit, registration or Certificate of Authority. If the Commissioner orders a suspension, it shall continue until all fees and penalties are remitted to "The State Insurance Department Trust Fund", up to a full twelve (12) months, at which time the Commissioner may in his discretion order continuation of the suspension for an additional twelve (12) months, or may order revocation or cancellation of the license, registration, permit, or Certificate of Authority for violations of his Order and this Rule and Regulation. All such licensees, registrants and permittees upon written request shall have the right to and shall be granted a hearing before the Commissioner or his designee, pursuant to Ark. Code Ann. §23-61-303(b), unless voluntarily waived.

(b) INSURERS. Absent the Commissioner's approval of a time extension for good cause shown on or before the due date, all licensed insurers failing timely to report and/or pay the fees when due may be subject to an automatic penalty of One Hundred Dollars (\$100) a day for each day of delinquency, payable to "The State Insurance Department Trust Fund".

(c) CIVIL OR ADMINISTRATIVE ACTION. The Commissioner on behalf of "The State Insurance Department Trust Fund" may pursue any civil cause of action for collection of the fees and penalties due under this Rule, or may pursue any claims against a security deposit as the Commissioner is entitled to make, or may reject or refuse to accept or disapprove any companion filing or license request, or may pursue any combination of these remedies as appropriate. In the event the Commissioner pursues a civil cause of action on behalf of "The State Insurance Department Trust Fund", he shall be entitled to request and recover all costs of collection, including reasonable attorney fees and expenses, if and as incurred.

(d) **DOCTRINE OF ELECTION OF REMEDIES.** The doctrine of election of remedies shall not be imposed against the Commissioner; i.e. he is entitled to seek all appropriate administrative and judicial remedies in protection of "The State Insurance Department Trust Fund" and the public interest.

**SECTION 26. SEVERABILITY.**

If any provision of this Rule or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Rule which can be given effect without the invalid provisions or application, and to this end, the provisions of this Rule are declared to be severable.

\_\_\_\_\_  
ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

\_\_\_\_\_  
DATE

