

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

Date: August 1, 2014

BULLETIN NO. 12 -2014

TO: ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, FRATERNAL BENEFIT SOCIETIES, FARMERS' MUTUAL AID ASSOCIATIONS OR COMPANIES, HOSPITAL OR MEDICAL SERVICES CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, PRODUCER AND INSURANCE COMPANY TRADE ASSOCIATIONS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: Conversion to the State Based Computer System (SBS) and Changes to Producer and Agency Appointments and Affiliations

Effective October 10, 2014, the Arkansas Insurance Department License Division will halt all processing while the Department converts from the LION and LEO systems to the State Based System (SBS). The Arkansas Insurance Department License Division will not be able to process any new applications, license renewals, agency affiliations, continuing education completion filings, appointments or appointment terminations from October 10, 2014 until October 20, 2014. Producers and Agencies are reminded to send any items to the Department as soon as possible to be processed prior to this stoppage. Insurers, Producers, or Agencies that wait too late may experience an unlicensed or un-appointed period where they cannot conduct the business of insurance.

Because of this conversion to the SBS system, the Department will change how it processes appointments for Agencies. Previously, an insurer was required to appoint the agency and list all Producers of that Agency on the appointment. The "shared" appointment could only be processed by paper form or via the LEO system. The cost of the appointment was based on the number of Producers listed on the appointment form. After the change to SBS, the Insurer will complete an individual appointment for the Agency and an individual appointment for each Producer of that Agency, who is doing business via the Agency with the Insurer. All Producers who are producing business for an Agency must be affiliated with the Agency license. All appointment and affiliations may be processed electronically via NIPR, but the LEO system will no longer be utilized for appointments. While the Department will still accept paper appointment forms if the insurer is unable to process the appointment electronically, electronic processed appointments are preferable.

After the conversion to SBS all licensees will be able to print their license from the SBS/License Division website and will no longer have to wait for the license to be received in the mail.

In addition, the SBS system will replace the LEO system for the electronic filing of licensee continuing education completion. Providers will also be able to electronically submit course and instructor information to the Department for review and the Provider will receive electronic notice of approval or disapproval.

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



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

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