



**ARKANSAS INSURANCE DEPARTMENT  
LEGAL DIVISION**

1200 West Third Street  
Little Rock, AR 72201-1904  
501-371-2820  
FAX 501-371-2639

May 21, 2001

BULLETIN NO. 2-2001

TO: ALL LICENSED PROPERTY AND CASUALTY INSURERS, TRADE ASSOCIATIONS,  
FARMERS MUTUAL AID ASSOCIATIONS, NATIONAL ASSOCIATION OF INSURANCE  
COMMISSIONERS AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: PARTICIPATING AND NON-PARTICIPATING POLICIES

---

The Arkansas Insurance Department has received questions concerning whether or not an insurer can issue both participating and non-participating policies in the same company.

Arkansas Code Annotated §23-69-126, clearly permits domestic stock or mutual insurers to issue any or all of its policies with or without participation in the company's profits. For foreign insurers there is no comparable statute addressing the issue. The Department's position, however, is that both domestic and foreign stock or mutual insurers may issue both participating and non-participating policies within the same company as long as any classification or determination is reasonable and does not unfairly discriminate between policyholders within the same classification.

Questions concerning this Bulletin should be directed to Carol Stiffler, Senior Rate and Forms Analyst, Property and Casualty Division, (501) 371-2800, or e-mail questions to [carol.stiffler@mail.state.ar.us](mailto:carol.stiffler@mail.state.ar.us).

---

MIKE PICKENS