Proposed Amended RULE ~~AND REGULATION~~ NO. 5
~~Agency # 054.00~~
COMPANIES' ANTIFRAUD ASSESSMENT

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§ 1. PURPOSE.

The purpose of this Rule ~~and Regulation~~ is to implement~~adjust~~ the antifraud assessment specified in Arkansas Code Annotated §23-100-104.

§ 2. AUTHORITY AND SCOPE.

(A) AUTHORITY. The Insurance Commissioner ("Commissioner") hereby promulgates this rule under his authority pursuant to Arkansas Code Annotated §§23-100-1046, and §-23-61-108, ~~25-15-204(b), and other applicable sections of Arkansas law~~.

(B) SCOPE. This rule shall apply to all licensed insurers, including but not limited to all licensed stock and mutual insurance companies, reinsurers, health maintenance organizations, fraternal benefit societies, hospital and medical service corporations, stipulated premium insurers, farmers' mutual aid associations, and pre-paid legal insurers. For purposes of this rule, "insurers" shall mean any and all the licensed or authorized insurers referenced in this rule and as defined in Arkansas Code Annotated §23-60-102(11), and shall include the other limited licenses enumerated in this section and in ACA §23-100-101, et seq., and not otherwise excluded.

(C) APPLICATION. The rule is not intended to and shall not apply to approved but non-admitted surplus line insurers, registered foreign and alien risk retention groups, registered purchasing groups, or to licensed automobile clubs or associations. This rule is intended to apply to annuity premiums and considerations, including annuity and other fund deposit premiums listed on the NAIC Convention Blank Schedule T. This rule is not intended to apply to indemnity reinsurance premiums or other premiums which are not "direct written". The rule is intended to apply to companies who have not written any Arkansas premiums in the reported calendar year.

~~§ 3. EFFECTIVE DATE: The effective date of this rule is June 30, 1999.~~

§ 43. ANTIFRAUD ASSESSMENT.

(A) The antifraud assessment of licensed insurers due under Arkansas Code Annotated §23-100-104 shall be due and payable in the amounts, methods and manner ~~required~~ described in subsections (B) and (C) of this section on or before June ~~30th~~1st of each calendar year, based upon the direct premiums and/or annuity considerations written or received from or in the State of Arkansas during the previous calendar year and as reported in the pertinent annual statement.

(B) The antifraud assessment shall be determined and paid in accordance with the following schedule:

ARKANSAS PREMIUMS	ANTIFRAUD ASSESSMENT
$ 0-2,499,999	$ 400
2,500,000-4,999,999	600
5,000,000-7,499,999	650
7,500,000-9,999,999	700
10,000,000-19,999,999	750
20,000,000-29,999,999	800
30,000,000-49,999,999	850
50,000,000-74,999,999	900
75,000,000-99,999,999	950
100,000,000 AND UP	1,000

(C) MANNER AND METHOD OF PAYMENT. (1) The amount of the assessment shall be reported on a form prescribed by the Commissioner, and the ~~form, Form FR, and accompanying~~ assessment payment shall be tendered to the ~~Insurance Fraud Investigation Division of the~~ Arkansas Insurance Department using the OPT*ins* (Online Premium Tax for Insurance) system. ~~The assessment shall be in the form of cash, a company check or law firm check, certified or cashier's check or money order payable to The Insurance Fraud Investigation Division Trust Fund, and shall be mailed or delivered with Form FR to the Insurance Fraud Investigation Division, Arkansas Insurance Department, 1200 West Third Street, Little Rock, AR 72201-1904.~~

(2) No other code or rule fees, licensure fees, fines or taxes shall accompany the filing and payment of this assessment and any penalties required under this rule; however, if by error any other fees, fines or taxes accompany or are included with this fee payment, the unrelated payment(s) shall be deposited pursuant to the other applicable law or rule, ~~-~~or refunded to the payor or other appropriate party.

(3) Licensed insurers failing to timely pay the antifraud assessment shall be subject to a penalty of one hundred dollars ($100) per day for each day of delinquency.

(D) PAYMENT UPON VOLUNTARY WITHDRAWAL. Any insurer voluntarily withdrawing from the State of Arkansas, or voluntarily surrendering its Arkansas certificate of authority for cancellation, shall report and pay the assessment owed under this rule for the final report or calendar year of withdrawal before the Department cancels or expires the Arkansas license and before the Department releases any security deposit of the withdrawing insurer.

§ ~~5~~4. **SEVERABILITY.** If any provision of this rule or the application thereof to any insurer, 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.

~~MIKE PICKENS~~ALAN McCLAIN

INSURANCE COMMISSIONER
ARKANSAS INSURANCE DEPARTMENT

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DATE