



**ARKANSAS INSURANCE DEPARTMENT  
LEGAL DIVISION**

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

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BULLETIN NO. 9-2001

TO: ALL LICENSED DOMESTIC INSURERS, ALL LICENSED DOMESTIC HEALTH MAINTENANCE ORGANIZATIONS (HMOS), LICENSED DOMESTIC HOSPITAL AND MEDICAL SERVICE CORPORATIONS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: **FINANCIAL REPORTING ISSUES:**  
ANNUAL AND QUARTERLY STATEMENT REQUIREMENTS UNDER ACT 1604 OF 2001; AND UPDATING CUSTODIAN CREDENTIALS UNDER ACT 452 OF 1999

**Electronic Filing of Annual and Quarterly Statement Requirements**

The provisions of Ark. Code Ann. § 23-63-216 were amended to strengthen the State's authority to require licensed insurers and other licensees, as applicable, to file electronic financial statements. Act 1604 amends Ark. Code Ann. § 23-63-216(j)(2) to remove the exemption, which formerly allowed single state domestic insurers to file only manual forms with the NAIC, in addition to the manual submission with this Department.

Domestic licensees must now file electronic annual and quarterly statements with the NAIC. Act 1604 became effective August 13, 2001. Act 1604 amends § 23-75-102 and § 23-75-114 to require hospital and medical service corporations to file annual and quarterly reports; in addition the electronic filings required under Section 23-63-216 are applicable to these licensees. The electronic filing requirements commence with the quarterly statements filed for the quarter ending March 31, 2002.

**Use of NAIC Health Blanks**

Act 1604 amends Ark. Code Ann. §23-63-216 to require accident and health insurers, HMOs, and hospital, medical, and dental service or indemnity corporations to file the "Annual Statement Blank for Health. § 23-75-102(c) makes the provisions of § 23-63-216 applicable to hospital or medical service corporations. Act 1605 of 2001 amends § 23-76-104 to make the provisions of § 23-63-216 applicable to HMOs.

The Commissioner is authorized under § 23-63-216, as amended by Act 1604, to allow a life insurer or property & casualty (P & C) insurer to request permission to file the NAIC Health Blank, if the insurer's accident and health insurance premiums and required statutory reserves constitute at least 95% of its total premium considerations or total statutory required reserves.

**Quarterly Filing Requirements for Hospital and Medical Service Corporations**

Quarterly filings of hospital, medical, and dental service or indemnity corporations shall follow the NAIC convention blank.

**Arkansas Act 452 of 1999**

This Act was effective in 1999, and amended Ark. Code Ann. § 23-69-134, allowing eligible securities broker-dealers to serve as custodians for electronic assets of domestic insurance companies and other licensees. All such custodians approved by the Department should now begin to file an annual copy of the FOCUS report, which is submitted to the U. S. Securities and Exchange Commission (SEC). The FOCUS reports should be filed with this Department no later than thirty (30) days following the SEC filing.

Questions concerning this Bulletin should be directed to the Finance Division at (501) 371-2665, or e-mail questions to [Insurance.Finance@mail.state.ar.us](mailto:Insurance.Finance@mail.state.ar.us).

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MIKE PICKENS  
INSURANCE COMMISSIONER - STATE OF ARKANSAS