

ARKANSAS REGISTER

Transmittal Sheet

Sharon Priest
Secretary of State
State Capitol Room 01
Little Rock, Arkansas 72201-1094

For Office
Use Only:

Effective Date _____

Code Number 051.00.00-2005

Name of Agency Arkansas Insurance Department

Department Legal Division

Contact Person Booth Rand, Associate Counsel Phone (501) 371-2820

Statutory Authority for Promulgating Rules Ark. Code Ann. §§. 23-61-108, 23-66-207, 23-76-125, 23-94-107, and 25-15-202, and other applicable Arkansas laws

Date

Intended Effective Date

Legal Notice Published

X Emergency

Final Date for Public comment . . . August 3, 2000

 10 Days After Filing

Filed with Legislative Council June 26, 2000

 Other

Reviewed by Legislative Council

June 26, 2000

Adopted by State Agency June 26, 2000

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended

Booth Rand
Signature

(501) 371-2820
Phone Number

Associate Counsel
Title

June 26, 2000
Date

FILED
AR. REGISTER DIV.
00 JUN 27 PM 1:14
SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS
BY _____

**EMERGENCY RULE
Rule and Regulation 43**

UNFAIR CLAIMS SETTLEMENT PRACTICES

2000 JUN 27 11:15
ARK. STATE L.L.

Sections

1. **Purpose.**
2. **Authority & Emergency Adoption.**
3. **Effective Date.**
4. **Continued Suspension of Effective Date of "New" Rule 43**
5. **Severability.**

Section 1. Purpose.

The purpose of this Emergency Rule is to continue to suspend the effective date of the previously promulgated "new" Rule 43, signed by the Insurance Commissioner on February 7, 2000 and distributed to licensed insurance carriers in Bulletin 1-00.

Section 2. Authority & Emergency Adoption.

This Emergency Rule is issued pursuant to the authority vested in the Commissioner by Ark. Code Ann. §25-15-204(b), §25-15-204(e), §23-61-108 (1987). Immediate adoption of this Rule is necessary to resolve an ambiguity or uncertainty in the definition of a "clean Claim" in Section 5 (p)(2) as well as necessary to allow the affected carriers more time to prepare for all technological and administrative requirements actually imposed by the recently promulgated Rule. It is hereby declared that the adoption of this Rule is necessary to prevent imminent peril to the health, safety or welfare of the citizens on this State.

Section 3. Effective Date.

The effective date of this Emergency Rule is June 26, 2000 and shall expire 120 days from its effective date, unless sooner replaced with a permanent Rule adopted by the Commissioner after public notice and hearing.

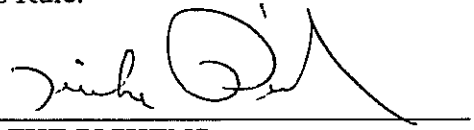
Section 4. Continued Suspension of Effective Date of "New" Rule 43

The previously promulgated Rule 43, signed by the Insurance Commissioner on February 7, 2000 will continue to be suspended until on or after September 15, 2000. The requirements previously imposed under Rule 43 immediately prior to its recent modification on February 7, 2000, shall remain in full force and effect.

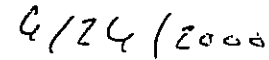
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SECRETARY OF STATE
STATE OF ARKANSAS
BY _____

Section 5. Severability

Any section or provision of this rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision of this Rule.

A handwritten signature in black ink, appearing to read "Mike Pickens", written over a horizontal line.

MIKE PICKENS
INSURANCE COMMISSIONER
(signature on approval)

A handwritten date "6/24/2000" in black ink, written over a horizontal line.

DATE

FILED

AR. REGISTER DIV.

00 JUN 27 PM 1:14

SHARON PINEST
SECRETARY OF STATE
STATE OF ARKANSAS

BY _____

**EMERGENCY RULE AND REGULATION 43
"UNFAIR CLAIMS SETTLEMENT PRACTICES"**

DEPARTMENT
DIVISION
PERSON COMPLETING THIS STATEMENT
TELEPHONE NO
FAX NO.
E-MAIL

Arkansas Insurance Department
Legal Division, 371-2820
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501 371-2629
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FINANCIAL IMPACT STATEMENT

TO COMPLY WITH ACT 884 OF 1995, PLEASE COMPLETE THE FOLLOWING
FINANCIAL IMPACT STATEMENT AND FILE WITH THE QUESTIONNAIRE AND
PROPOSED RULES.

SHORT TITLE OF THIS RULE

Emergency Rule and Regulation 43, "UNFAIR CLAIMS SETTLEMENT
PRACTICES"

1. DOES THIS PROPOSED, AMENDED OR REPEALED RULE OR REGULATION
HAVE A FINANCIAL IMPACT? YES ☒ NO ☐
2. IF YOU BELIEVE THAT THE DEVELOPMENT OF A FINANCIAL IMPACT
STATEMENT IS SO SPECULATIVE AS TO BE COST PROHIBITIVE, PLEASE
EXPLAIN.

The Insurance Department is continuing to suspend, with this second emergency rule, the recently promulgated changes to Rule 43, signed by the Insurance Commissioner on February 7, 2000 and distributed to all insurance carriers licensed to do business in this state through Bulletin 1-00. On March 1, 2000, the Department suspended the February 7, 2000 promulgated Rule 43 for a 120 day period. The Department now, in this Rule, continues to suspend the previously promulgated Rule 43 changes for an additional 120 day period, effective June 26, 2000, in order to allow medical care providers and health carriers to make resolution of unanticipated interpretation of "clean claims," as well as to adjust to the required technological and administrative changes necessitated by the recent changes to Rule 43. During the 120 day period, all carriers will be subject to the previous claims handling rules and notification requirements previously in effect before the February 7, 2000 changes. This emergency rule shall apply retroactively to claims incurred on or

before June 26, 2000. Because this emergency rule operates to require the carriers, to apply and to have applied the claims handling and claims notification standards it was previously subject to by the Insurance Department in Rule 43, from 1989 to February 7, 2000, we anticipate no financial impact during the 120 day period.

3. IF THE PURPOSE OF THIS RULE OR REGULATION IS TO IMPLEMENT A FEDERAL RULE OR REGULATION, PLEASE GIVE THE INCREMENTAL COST FOR IMPLEMENTING THE REGULATION.

NOT APPLICABLE

1996-97 FISCAL YEAR

1997-98 FISCAL YEAR

GENERAL REVENUE	_____	GENERAL REVENUE	_____
FEDERAL FUNDS	_____	FEDERAL FUNDS	_____
CASH FUNDS	_____	CASH FUNDS	_____
SPECIAL REVENUE	_____	SPECIAL REVENUE	_____
OTHER	_____	OTHER	_____
TOTAL	_____	TOTAL	_____

4. WHAT IS THE TOTAL ESTIMATED COST BY FISCAL YEAR TO ANY PARTY SUBJECT TO THE PROPOSED, AMENDED, OR REPEALED RULE OR REGULATION?

NOT APPLICABLE.

1999-2000 FISCAL YEAR

2000-01 FISCAL YEAR


5. WHAT IS THE TOTAL ESTIMATED COST BY FISCAL YEAR TO THE AGENCY TO IMPLEMENT THIS REGULATION?

NOT APPLICABLE

1999-2000 FISCAL YEAR

2000-01 FISCAL YEAR

BY:



 Booth Rand
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 LEGAL DIVISION, ARKANSAS INSURANCE DEPARTMENT
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