



# Arkansas Insurance Department

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Mike Pickens  
Commissioner

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## Divisions

Administration  
-501-371-2620  
501-371-2629 Fax

Accounting  
-501-371-2605

Consumer Services  
-501-371-2640  
-800-852-5494

Data Processing  
-501-371-2657

Finance  
-501-371-2665

Human Resources  
-501-371-2815

Legal  
-501-371-2820

License  
-501-371-2750

Life & Health  
-501-371-2800

Property & Casualty  
-501-371-2800

Risk Management  
-501-371-2690

Senior Insurance  
Network  
-501-371-2782  
1-800-852-5494

Workers'  
Compensation  
and Investigation  
Unit  
-501-371-2790  
501-371-2799 Fax

SECRETARY OF STATE  
STATE OF ARKANSAS

BY

Docket #: 054.00.97-014  
Effective Date: 8/1/97

August 1, 1997

BULLETIN NO. 12-97

**TO:** ALL LIFE AND HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, HOSPITAL, MEDICAL AND DENTAL SERVICE CORPORATIONS, FRATERNAL BENEFIT SOCIETIES, PROPERTY, CASUALTY, SURETY AND MARINE INSURERS, SURETY COMPANIES, FARMERS' MUTUAL AID ASSOCIATIONS, SURPLUS LINES COMPANIES AND BROKERS, TITLE COMPANIES, RISK RETENTION GROUPS, MULTIPLE EMPLOYER TRUSTS, THIRD PARTY ADMINISTRATORS, JOINT UNDERWRITERS ASSOCIATIONS, AND LEGAL/TRADE ASSOCIATIONS DOING BUSINESS IN THE STATE OF ARKANSAS

**FROM:** ARKANSAS INSURANCE DEPARTMENT

**SUBJECT:** ADOPTION OF RULE AND REGULATION 67: "REPORTING OF FRAUDULENT INSURANCE ACTS"

The Department has adopted Rule and Regulation 67: "Reporting of Fraudulent Insurance Acts", effective August 1, 1997. The purpose of the Final Rule is to assist persons in the business of insurance having knowledge or a reasonable belief that a fraudulent insurance act is being, will be, or has been committed, in complying with the mandatory reporting requirement of Arkansas Code Annotated Section 23-66-505(a).

The following change was made to the Final Rule since the Public Hearing on July 1, 1997:

(a) Section 4 recites August 1, 1997, as the Rule effective date;

A copy of Final Rule and Regulation 67, "Reporting Fraudulent Insurance Acts", is attached along with the Fraud Referral Form prescribed by the Commissioner and referenced in Section 6(a) and (b) of the Final Rule.

Direct your inquiries, including questions regarding the acceptable methods of submitting a Fraud Referral Form, to the Insurance Fraud Investigation Division at (501) 371-2790.

Mike Pickens  
INSURANCE COMMISSIONER

REPORTING OF FRAUDULENT INSURANCE ACTS

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SECTION 1. Purpose

The purpose of this rule is to assist persons in the business of insurance having knowledge or a reasonable belief that a fraudulent insurance act is being, will be, or has been committed, in complying with the mandatory reporting requirement of Arkansas Code Annotated §23-66-505(a).

SECTION 2. Authority

This rule is issued pursuant to the authority vested in the commissioner by Arkansas Code Annotated §23-66-511, and other applicable provisions of Arkansas law.

SECTION 3. Applicability and Scope

This rule applies to any person engaged in the business of insurance in the State of Arkansas who has knowledge or a reasonable belief that a fraudulent insurance act is being, will be, or has been committed.

SECTION 4. Effective Dates

The effective date of this rule is August 1, 1997.

SECTION 5. Definitions

The definitions set forth in Arkansas Code Annotated §23-66-501 shall apply to this rule.

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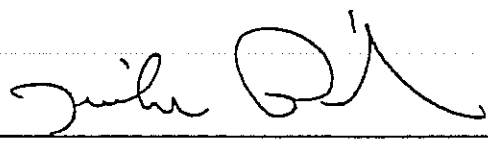
1 SECTION 6. Method of Reporting Suspected Fraudulent  
2 Insurance Acts

3 (a) The reporting requirement of Arkansas Code Annotated  
4 §23-66-505(a) may be satisfied by filing a completed fraud  
5 referral form with the Insurance Fraud Investigation Division  
6 of the Arkansas Insurance Department. The form shall be as  
7 prescribed by the commissioner and may be obtained from the  
8 Insurance Fraud Investigation Division.

9 (b) A reporting form containing substantially similar  
10 language and providing all the information requested in the  
11 fraud referral form prescribed by the commissioner may be used,  
12 if previously approved by the commissioner.

13 SECTION 7. Severability

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



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MIKE PICKENS  
INSURANCE COMMISSIONER  
ARKANSAS INSURANCE DEPARTMENT

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7/17/97  
DATE