

Transmittal Sheet

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

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AR. REGISTER DIV.

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SHARON PRIEST  
SECRETARY OF STATE  
STATE OF ARKANSAS

BY

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Name of Agency Arkansas Insurance Department

Department Legal Division

Contact Person Roger McNeil, Associate Counsel Phone (501) 371-2820

Statutory Authority for Promulgating Rules Ark. Code Ann. §§23-61-701 et seq., 23-61-108, 25-15-201 et seq., and other applicable Arkansas laws

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<u>December 1, 1999</u>	Adopted by State Agency . . . . . <u>November 19, 1999</u>

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

  
Signature

(501) 371-2820  
Phone Number

Associate Counsel  
Title

November 29, 1999  
Date

FILED

DEC 02 1999

SHARON PRIEST  
SECRETARY OF STATE

BY

1  
2 **RULE AND REGULATION 57**  
3 **INSURANCE DEPARTMENT ADMINISTRATIVE AND REGULATORY FEES**  
4  
5

6 SECTIONS  
7

- 8 1. PURPOSE.
- 9 2. AUTHORITY; SCOPE AND APPLICATION.
- 10 3. EFFECTIVE DATE.
- 11 4. DERIVATION AND CLASSES OF FEES.
- 12 5. INSURERS.
- 13 6. AGENTS, AGENCIES, BROKERS, VIATICAL SETTLEMENT AGENTS AND
- 14 BROKERS, ADJUSTERS, LIMITED ADJUSTERS, CONSULTANTS, RISK
- 15 RETENTION GROUP AGENTS, PURCHASING GROUP BROKERS, SURPLUS
- 16 LINE BROKERS, SURPLUS LINE BROKERS FOR PURCHASING GROUPS ONLY,
- 17 HMO AGENTS, PREPAID LEGAL INSURANCE AGENTS, FRATERNAL BENEFIT
- 18 SOCIETY AGENTS, FMAA AGENTS.
- 19 7. INSURANCE HOLDING COMPANY TRANSACTIONS.
- 20 8. HEALTH MAINTENANCE ORGANIZATIONS.
- 21 9. RATE SERVICE OR ADVISORY ORGANIZATIONS.
- 22 10. RISK RETENTION GROUPS.
- 23 11. PURCHASING GROUPS.
- 24 12. AUTOMOBILE CLUBS OR ASSOCIATIONS.
- 25 13. THIRD PARTY ADMINISTRATORS.
- 26 14. EMPLOYEE LEASING FIRMS.
- 27 15. CONTINUING CARE FACILITIES; LIFE CARE PROVIDERS.
- 28 16. REINSURANCE INTERMEDIARIES.
- 29 17. COURSE PROVIDERS FOR AGENT PRE-LICENSING AND
- 30 CONTINUING EDUCATION: ANNUAL REGISTRATION AND FEES.
- 31 18. MANAGING GENERAL AGENTS/AGENCIES.
- 32 19. NOTARY BOND SURETY CORPORATIONS.
- 33 20. MISCELLANEOUS FEES.
- 34 21. INFORMATION SYSTEMS SERVICES.
- 35 22. TRUST FUND DEPOSIT REQUIRED.
- 36 23. CUMULATIVE/NONREFUNDABLE FEES.
- 37 24. SCRIVENERS' ERRORS.
- 38 25. PENALTIES.
- 39 26. SEVERABILITY.

40  
41 SECTION 1. PURPOSE.

42 The purpose of this Rule and Regulation is to implement and clarify the pertinent fee  
43 provisions of Act 652 of 1993, "The State Insurance Department Trust Fund Act" [codified at  
44 Ark. Code Ann. §§ 23-61-701 et seq.]; Act 901 of 1993, the Department's "Omnibus Act";  
45 Act 787 of 1993, the "Life Care Providers Act" [codified at Ark. Code Ann. §§ 23-93-201 et  
46 seq.] and others. This Rule is designed to specify the amount, method and manner of  
47 payment of nonrefundable administrative and regulatory fees of insurers, agents and other  
48 licensees or registrants, as well as other filing fees for various Arkansas Insurance  
49 Department ("Department") products and services, all of which are payable to "The State  
50 Insurance Department Trust Fund" ("Trust Fund").

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1 a convenience to the reader, certain statutory fees are referenced within this Regulation to  
2 assist the reader in determining the appropriate fee amount, when both the statute and this  
3 Regulation charge different fees for the same services. Note also, that a few fees  
4 referenced herein list an annual or biennial fee amount but may be due on an annual or  
5 biennial schedule.

6 (3) The Commissioner in his discretion may waive all or any part of any fee  
7 assessed under this if: (A) the Certificate of Authority, license, permit or registration is  
8 suspended or revoked; (B) if the Commissioner finds that the licensee, permittee or  
9 registrant is impaired or insolvent, or its continuing operations are hazardous to the public of  
10 this State; or (C) if the licensee, permittee or registrant is under domiciliary department  
11 supervision of this or another State, or court-ordered conservation, rehabilitation, liquidation  
12 or has filed for bankruptcy under Chapter 11 of Title 11, United States Code. Any licensee,  
13 permittee, registrant or its domiciliary conservator, rehabilitator, liquidator, or trustee in  
14 bankruptcy may request a fee waiver in writing; but the Commissioner may not consider  
15 waivers for those failing to file a written request therefor. Upon activation or reinstatement of  
16 any suspended certificate of authority, license, permit or registration, or upon approval of a  
17 bankruptcy reorganization plan or successful release from conservation or rehabilitation,  
18 then the licensee, permittee, or registrant shall automatically commence reporting and  
19 payment of any of the fees in this Rule applicable to resumed Arkansas operations under  
20 the license, permit or registration. Trust Fund reimbursement for fees which would have  
21 been required and assessed but for the waiver during that period shall not be required.  
22 Upon failure of any such person, firm, or corporation to file for waiver or pay the fees when  
23 due, or upon the Commissioner's denial of the requested waiver, the Commissioner may file  
24 his claim on behalf of the Trust Fund against any deposit or other asset of the person, firm  
25 or corporation as permitted by insurance and other applicable laws of this State.

26 (4) It is the intent of the Commissioner not to charge fees for filings which are  
27 made with the Department for "informational purposes only", and which are otherwise  
28 exempt from filing or not expressly required to be filed by statute, regulation, or order. The  
29 Commissioner in his reasonable discretion, reserves the right to determine whether, in fact,  
30 a particular filing is truly for informational purposes only.

### 31 32 SECTION 3. EFFECTIVE DATE.

33 The provisions of this Rule shall become effective December 1, 1999, upon statutory  
34 filing per Arkansas law.

### 35 36 SECTION 4. DERIVATION AND CLASSES OF FEES.

37 (a) Ark. Code Ann. §§23-61-701 et seq. provides the Department's authority to generate  
38 revenue to support its operations by the imposition of fees; it also divides certain of those  
39 fees into two categories, i.e. Category A and Category B. Fees in Category A are those  
40 involving material or substantive corporate transactions or those which consume substantial  
41 time of Department staff; those fees are capped at a maximum of \$1,500 per transaction.  
42 Category B fees, on the other hand, are those involving other Departmental filings,  
43 transactions or services which do not require a substantial effort by Department staff; those  
44 fees are capped at a maximum of \$50 per transaction.

45 (b) Caution: §§23-61-701 et seq. and other acts/statutes referenced above, authorize  
46 the imposition of other fees set forth in the Rule and Regulation and which are not subject to  
47 the respective Category A and Category B "caps".

### 48 49 SECTION 5. INSURERS (See Section 2(b)(1)(A).

#### 50 SUBSECTION I.

#### 51 CATEGORY "A" FEES (Maximum \$1500)

- 1 (b) Approved Non-Admitted Surplus Line Insurer.  
 2 Annual continuation of foreign surplus line company  
 3 registration (DUE MARCH 1<sup>ST</sup>)-----\$ 500  
 4 (c) Accredited/Trusteed Reinsurer  
 5 Initial registration and annual renewal for Accredited or Trusteed  
 6 Status-----\$ 500  
 7

8 SUBSECTION II.  
 9 CATEGORY "B" – MAXIMUM \$50  
 10 (Per Covered Entity, Filing or Transaction)  
 11

12 ADMINISTRATIVE AND REGULATORY FEES FEE AMOUNTS  
 13

- 14 (a) Compliance.  
 15 (1) Filing or review of policy/contract, endorsements or  
 16 certificates, riders, applications, or annuity forms,  
 17 per submission (not per form)-----\$ 50  
 18 \*Note that a Service purchaser of an Advisory Organization  
 19 must file the purchased Form for review.  
 20 (2) Filing/review of each Life and/or Disability rate filing  
 21 or loss ratio guarantee filing, per insurer-----\$ 50  
 22 (3) Filing of an independent rule filing or to adopt a reference  
 23 or item filing of Advisory Organization, per item  
 24 (excluding loss cost reference filing)-----\$ 25  
 25 (4) Filing each set of new/amended or restated By-laws,  
 26 per insurer, per filing-----\$ 25  
 27 (5) Life and/or Disability: Filing/review of insurer's  
 28 advertisements, per advertisement, per each insurer-----\$ 25  
 29 (6) Policy, contract or annuity forms: Filing and review of  
 30 each life and/or disability certificate rider, application,  
 31 or endorsement, if filed separately from basic form,  
 32 per insurer-----\$ 20  
 33 (7) Policy and contract forms, all lines, filing corrections in  
 34 previously filed policy and contract forms-----\$ 20  
 35 (8) Filing of each insurer address change, not involving an  
 36 amendment to a Certificate of Authority or Articles of  
 37 Incorporation, per filing, per insurer-----\$ 10  
 38 (9) Filing of Department Forms I-71 as to  
 39 cancellation/nonrenewal of all appointed insurance  
 40 agents and agencies after a Name change or after  
 41 Merger or Consolidation of two or more insurers-----\$ 10  
 42 (10) Each filing of an individual Department Form I-71 as to  
 43 cancellations/nonrenewals of agent appointments,  
 44 each appointment, each insurer-----\$ 10  
 45 (11) Preparation and execution of Certificates of  
 46 Compliance for insurers-----\$ 15  
 47 (Coupled with the \$5 fee in Ark. Code Ann. §23-61-401(14)(B)  
 48 the total fee due is \$20.)  
 49 (12) Filing biographical affidavits on insurer officers and  
 50 directors per Rule and Regulation 7  
 51 (DOMESTIC INSURERS ONLY)-----\$ 10

1 (2) ANNUAL RENEWAL FEES: CURRENT LICENSEES AND FIRST TIME  
2 RENEWALS.

3 (A) For the fiscal year beginning July 1, 1998, all individuals holding any  
4 one or more valid and subsisting resident or nonresident AGENT licenses,  
5 shall pay the annual regulatory renewal fee on or before their birthday, and  
6 annually on their birthday thereafter.

7 (B) For the fiscal year beginning July 1, 1998, all entities holding any one  
8 or more valid and subsisting resident or nonresident AGENCY licenses, shall  
9 pay the annual regulatory renewal fee on or before October 1 and annually  
10 on the same day thereafter.

11 (3) TYPE OF LICENSE: The phrase "type of license" refers to the particular kind  
12 of license held by the licensee rather than the type or line of business the  
13 license authorizes the licensee to transact. Thus, an agent authorized to  
14 transact one or more lines of insurance still has only one license, and the  
15 applicable fee is \$35. If however, the same licensee also hold a broker's  
16 license and a surplus line broker's license (a total of 3 licenses), the licensee  
17 would owe three (3) separate fees of \$35 each, for a total of \$105.

18 (4) INSURER CHECKS PROHIBITED. Section 1 of Act 901 of 1993 prohibits  
19 insurers from paying the \$35 annual fee per license of agents and others  
20 described in Subsection (a) of this Section. Each agent or other licensee will  
21 have to submit his own separate check or money order, or pay cash for  
22 payment of these license fees. Fees may be paid by licensing bureaus  
23 which, in turn, must charge this cost back to the agent/licensee. The  
24 Department will reject or refund any insurer checks. [This does not prohibit  
25 insurer payment of agent examination fees.]

26 (b) Agents.  
27 (1) Filing application for each examination, per applicant,  
28 shall be as determined by the Commissioner or Vendor  
29 of the Commissioner.  
30 (2) Licensing: Letters of Clearance or Letters of Certification,  
31 per each license, per each letter-----\$ 5

32 (c) Agents, Agencies, Brokers, Viatical Settlement Agents and Brokers, Adjusters,  
33 Limited Adjusters, Consultants, Risk Retention Group Agents, Purchasing Group  
34 Brokers, Surplus Line Brokers, Surplus Line Brokers for Purchasing Groups only,  
35 HMO Agents, Prepaid Legal Insurance Agents, Fraternal Benefit Society Agents,  
36 FMAA Agents, and any other applicant, or licensee, registrant or permittee with  
37 records in the Department:  
38 Review, processing, and retrieval for copying, certifying, or other  
39 distribution upon written request for information regarding  
40 individual agents (resident & nonresident), per each  
41 agent/agency, (exempting governmental agencies, insurance  
42 buying public, or others upon Commissioner's discretion)-----\$ 10

43 (d) Agencies.  
44 (1) Filing and review of change of name or business address-----\$ 10  
45 (2) Adding/deleting individual agents from agency licenses-----\$ 10  
46

47 SECTION 7. INSURANCE HOLDING COMPANY TRANSACTIONS.  
48 (Fees below are per each holding company, not per each licensed insurer.)

49 (a) Filing and review of each Form A on Acquisitions/Change  
50 in Control (DOMESTIC ONLY)-----\$1000  
51 (b) Filing and review of each Request for Exemption from Filing

1 Rule, or fees imposed under other sections of Arkansas law.  
2 The fees imposed under this Section and any others as  
3 required shall accompany the TPA application for the initial  
4 registration, or renewal of registration due no later than  
5 December 15 annually. -----\$ 75  
6 (Coupled with the \$25 fee in Ark. Code Ann. §23-92-203  
7 the total fee due is \$100.)  
8

9 SECTION 14. EMPLOYEE LEASING FIRMS.

- 10 (a) Initial or annual renewal of licensure of Employee Leasing Firms  
11 or Groups, each firm or group\*-----\$ 500  
12 (b) Initial or annual renewal of licensure of Employee Leasing Firms  
13 or Groups without substantial presence in this State-----\$ 50  
14 \* Either resident or nonresident firms or groups with  
15 "substantial presence" in this State as defined in Department  
16 Rule and Regulation 58.  
17

18 SECTION 15. CONTINUING CARE FACILITIES AND LIFE CARE PROVIDERS.

- 19 (a) Filing Annual Disclosure Statement, each statement, per each  
20 facility/provider and/or appointing Commissioner as agent for  
21 service of process, each provider-----\$ 100  
22 (b) Filing and review of initial registration application, for each  
23 facility/provider-----\$ 250  
24

25 SECTION 16. REINSURANCE INTERMEDIARIES.

- 26 (a) Filing initial application for license as reinsurance intermediary-  
27 manager-----\$ 500  
28 (b) Filing initial application as reinsurance intermediary-broker-----\$ 300  
29 (c) Annual renewal fee for reinsurance intermediary-manager-----\$ 100  
30 (d) Annual renewal fee for reinsurance intermediary-broker-----\$ 75  
31 (e) Designation of Commissioner as Agent for service of process  
32 for non-resident manager or broker-----\$ 75  
33

34 SECTION 17. COURSE PROVIDERS FOR AGENT PRE-LICENSING  
35 AND CONTINUING EDUCATION: ANNUAL REGISTRATION AND FEES.

36 (a) Annual Registration. Pursuant to Ark. Code Ann. §§23-61-701 et seq., all approved  
37 course providers for agent pre-licensing and continuing education shall register on  
38 September 1st annually with the Department on forms prescribed by the Insurance  
39 Commissioner

- 40 (b) Fees.  
41 (1) Pre-Licensing Education.  
42 Each original registration and/or annual renewal of a  
43 course provider for agent pre-licensing education-----\$ 100  
44  
45 (2) Continuing Education.  
46 Each original registration and/or annual renewal of a  
47 course provider for agent continuing education-----\$ 100  
48

49 SECTION 18. MANAGING GENERAL AGENTS/AGENCIES.

- 50 Filing application for initial licensure and annual renewal-----\$ 500  
51

1	12. Health Maintenance Orgs.	\$5
2	13. Auto Clubs or Assns.	\$5
3	14. Surety Insurers	\$5
4	15. Notary Bond Surety Cos.	\$5
5	16. Workers' Comp. Cos.	\$5
6	17. Employee Leasing Cos.	\$5
7	18. Acc./Trust. Reinsurers	\$5
8	19. Viatical Providers	\$5

9

10 (c) Licensed Agent Listings With Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
11		
12	1. Life & Disability Agents	\$240
13	2. Property & Casualty Agents	\$240
14	3. Single Agent	\$10

15

16 (d) Licensed Agent Listings Without Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
17		
18	1. All Agents	\$80
19	2. Life & Disability Agents	\$30
20	3. Life Agents	\$15
21	4. Disability Agents	\$15
22	5. Multi-line Agents	\$30
23	6. Brokers	\$10
24	7. Consultants	\$5
25	8. RRG Agents	\$5
26	9. Purchasing Group Brokers	\$5
27	10. Adjusters	\$5
28	11. Surplus Lines Brokers	\$5
29	12. Managing General Agents	\$5
30	13. Reinsurance Intermediaries	\$5
31	14. Viatical Brokers	\$5

32

33 (e) Licensed Agency Listings With Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
34		
35	All Agencies	\$240

36

37 (f) Licensed Agency Listings Without Company Appointments

	<u>Paper</u>	<u>Disk/CD/E-Mail</u>
38		
39	All Agencies	\$75

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41 If partial lists of licensees or licensees of a limited line or category are requested, the  
42 Commissioner may charge a reasonable fee less than the foregoing amounts.

43

44 \*Large reports will only be done on CDs.

45 \*Reports on labels will be \$4 extra per 1,000.

46

47 SECTION 22. TRUST FUND DEPOSIT REQUIRED.

48 All fees imposed pursuant to this Rule and Regulation SHALL BE DUE AND  
49 PAYABLE TO THE "STATE INSURANCE DEPARTMENT TRUST FUND". Fees paid  
50 pursuant to this Rule shall whenever possible, be directed to the specific Division of the  
51 Department handling the filing, or as otherwise directed by the Department.

1 (d) DOCTRINE OF ELECTION OF REMEDIES. The doctrine of election of remedies  
2 shall not be imposed against the Commissioner; i.e. he is entitled to seek all appropriate  
3 administrative and judicial remedies in protection of "The State Insurance Department Trust  
4 Fund" and the public interest.

5  
6 SECTION 26. SEVERABILITY.

7 If any provision of this Rule or the application thereof to any person or circumstance  
8 is held invalid, such invalidity shall not affect other provisions or applications of this Rule  
9 which can be given effect without the invalid provisions or application, and to this end, the  
10 provisions of this Rule are declared to be severable.

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MIKE PICKENS  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

11/19/99

DATE