2025 Arkansas Insurance Legislation Summary: General

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This is the first article in a series of summaries of insurance legislation from the 95th Arkansas General Assembly.

The 95th Arkansas General Assembly convened on January 13, 2025, and recessed on April 16, 2025. The General Assembly reconvened on May 5, 2025, and formally adjourned sine die.

In Arkansas, the Republican Party controls the offices of Governor, Lieutenant Governor, Secretary of State, Attorney General and both chambers of the state legislature. In the Senate, Republicans control 29 of 35 Senate seats. In the House, Republicans hold 81 of the 100 seats.

Representative Brian Evans (R-Cabot) is serving his first term as Speaker of the House. Senator Bart Hester (R-Cave Springs) is serving his second term as President Pro Tempore of the Senate.

During this year's session lawmakers introduced 1,652 bills excluding resolutions. Legislators and Governor Sanders enacted 1,026 new laws representing approximately 62% of all bills filed. Governor Sanders allowed two bills to become law without her signature and vetoed three other bills. There were no attempted overrides of any of Governor Sanders' vetoes.

Acts not carrying an emergency clause or a specified effective date generally take effect on the 91st day following the date of sine die adjournment which again occurred May 5, 2025. The Arkansas Attorney General has opined that acts without an emergency clause or a specified effective date will become effective on Tuesday, August 5, 2025.

Absent the calling of a special session, the General Assembly is not expected to return until April 2026 for a fiscal session.

Legislation of General Interest

A. Passed

1. HB1595 (Act 349) – The Insurance Department General Omnibus Bill makes technical and substantive changes to the Arkansas Insurance Code. In addition to minor changes, HB1595 repeals the Comprehensive Health Insurance Pool Act (Arkansas Code § 23-79-5). A previous version of the bill, HB1420, was withdrawn. HB1595 is substantially identical to HB1420 with the exception of the repeal of certain mental health parity laws.

2. HB1771 (Act 651) – Requires insurers issuing or delivering a group accident and health insurance policy to provide the following reports:

- A monthly premium, claims, and enrollment report; and

- A high-cost claimant report applicable to an enrolled member with claims exceeding $10,000.

Insurers are only required to provide these reports upon request from a policyholder with more than 50 insured employees under a comprehensive group health insurance policy.

3. HB1788 (Act 571) – Reduces the number of days a healthcare insurer is allowed to make a decision on a credentialing application from a provider other than a physician under the Arkansas Health Care Consumer Act from 180 days to 90 days from the date of submission of a completed application.

4. SB236 (Act 261) – Amends the Insurance Holding Company Regulatory Act and adopts NAIC Model Group Capital Calculation provisions.

5. SB237 (Act 554) – Amends Arkansas law concerning the licensing and regulation of captive insurers. Among other changes, SB237 (1) allows the insurance commissioner to issue provisional licenses to captive insurers under certain conditions, (2) changes the capital and surplus requirements for captive insurance companies, and (3) changes the domestication requirements and procedures for foreign and alien captive insurers.

B. Failed/Defeated/No Action in Committee/Withdrawn

1. HB1177 - Would have amended the Arkansas Franchise Practices Act to conform to the rulings by the Arkansas Supreme Court in Gunn v. Farmers Ins. Exch., 2010 Ark. 434 (2010) and Stockton v. Sentry Ins., 337 Ark. 507 (1999), that the Arkansas Franchise Practices Act does not apply to business relations, actions, or transactions between an insurance company and an insurance agent who solicits or sells insurance on behalf of the insurance company.

2. HB1443 - Would have created the "Second Amendment Financial Privacy Act," which would have prohibited financial institutions, including entities subject to the jurisdiction of the Arkansas Insurance Commissioner, and payment networks from using certain discriminatory practices against firearms owners. The lead sponsor orally amended the bill to remove entities subject to the jurisdiction of the Insurance Commissioner from the scope of the bill.

3. HB1665 – Would have repealed the credit allowed against the insurance premium tax for life and accident and health coverage based on the salary and wages of in-state employees of the insurer. The lead sponsor amended the bill to limit its effect to a repeal of the credit taken against taxes for comprehensive hospital and medical coverage.

4. SB235 – Would have created the Voluntary Portable Benefit Account Act.

5. SB258 – Would have created the Arkansas Digital Responsibility, Safety, and Trust Act.

6. SB499 – Would have repealed and revised certain reporting requirements for the Arkansas Insurance Department and Securities Department.

The second article in the series will summarize the 2025 Arkansas Legislation related to Property and Casualty Insurers. It will publish on Thursday, May 22.