

BEFORE THE ARKANSAS INSURANCE COMMISSIONER

IN RE ASSESSMENTS UNDER THE ARKANSAS
PROPERTY & CASUALTY INSURANCE
GUARANTY ACT

AID ORDER # 2024- **64**

ORDER FOR ASSESSMENTS

The Arkansas Insurance Commissioner (“Commissioner”) issues the following Order under the Arkansas Property & Casualty Insurance Guaranty Act (“APCGFA”), specifically under Ark. Code Ann. § 23-90-112, and states as follows:

FINDINGS

1. The Commissioner finds that, pursuant to Ark. Code Ann. § 23-90-112(a)(1), due to a number of insolvencies of property & casualty insurers domiciled or licensed to do business in this State that the Arkansas Property & Casualty Guaranty Fund is in need of additional funds to supplement the assets of the insolvent insurers for the purpose of making payment of “covered claims” under policies issued to Arkansas residents.

2. The Commissioner is authorized under Ark. Code Ann. § 23-90-112 to make such assessments, including additional assessments, for such receivership shortages for and on behalf of the Guaranty Fund, upon subject insurers pursuant to the proportionate formula based on the ratio an insurer’s total net direct written premiums bears to the total net direct written premium collected by all subject insurers.

3. The Commissioner specifically finds that an assessment of the member insurers of the Guaranty Fund in the total amount of \$20 million (\$20,000,000) should provide sufficient funds to pay the covered claims of the Guaranty Fund for the foreseeable future.

WHEREFORE, the Commissioner hereby Orders that an assessment in the amount of \$20 million (\$20,000,000) shall be levied upon the members insurers of the Arkansas Property & Casualty Guaranty Fund in the proportion that the total net direct written premium of each member insurer bears to the total net direct written premium of all licensed insurers, except insolvent insurers, in the State of Arkansas for the preceding calendar year, or the most recent year for which data is available. The Commissioner further Orders that this Order shall be posted on the website of the Arkansas Insurance Department and that each member insurer of the Guaranty Fund shall receive an individual statement of the amount due and an explanation of the calculation of the amount due from the insurer.

IT IS SO ORDERED this 17th day of June, 2024.



ALAN MCCLAIN
ARKANSAS INSURANCE COMMISSIONER