

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1177

5 By: Representative M. Brown
6 By: Senator B. Johnson
7

For An Act To Be Entitled

8
9 AN ACT TO AMEND THE ARKANSAS FRANCHISE PRACTICES ACT;
10 TO CLARIFY THE APPLICABILITY OF THE ARKANSAS
11 FRANCHISE PRACTICES ACT; AND FOR OTHER PURPOSES.
12
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Subtitle

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15 TO AMEND THE ARKANSAS FRANCHISE
16 PRACTICES ACT; AND TO CLARIFY THE
17 APPLICABILITY OF THE ARKANSAS FRANCHISE
18 PRACTICES ACT.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

23 (a) The General Assembly finds that:

24 (1) The Supreme Court recognized in Gunn v. Farmers Ins. Exch.,
25 2010 Ark. 434 (2010) and Stockton v. Sentry Ins., 337 Ark. 507 (1999), that:

26 (A) The Arkansas Franchise Practices Act does not apply to
27 the relationship between an insurance company and the insurance company's
28 agents; and

29 (B) A franchise relationship does not exist between an
30 insurance company and the insurance company's agent under the Arkansas
31 Franchise Practices Act;

32 (2) The Supreme Court correctly decided that the Arkansas
33 Franchise Practices Act does not apply to an insurance agent who solicits or
34 sells insurance on behalf of an insurance company;

35 (3) The Supreme Court properly and correctly interpreted and
36 applied the Arkansas Franchise Practices Act; and



1 (4) Existing case law should not be altered or extended.

2 (b) The General Assembly intends for Sections 2 and 3 of this act to
3 codify the rulings by the Supreme Court in Gunn v. Farmers Ins. Exch., 2010
4 Ark. 434 (2010) and Stockton v. Sentry Ins., 337 Ark. 507 (1999), that the
5 Arkansas Franchise Practices Act does not apply to business relations,
6 actions, or transactions between an insurance company and an insurance agent
7 who solicits or sells insurance on behalf of the insurance company.

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9 SECTION 2. Arkansas Code § 4-72-202(1), concerning the definition of
10 "franchise" used under the Arkansas Franchise Practices Act, is amended to
11 add an additional subdivision to read as follows:

12 (C) "Franchise" does not include business relations,
13 actions, or transactions between an insurance company and an insurance agent
14 who solicits or sells insurance on behalf of the insurance company;

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16 SECTION 3. Arkansas Code § 4-72-203, concerning the applicability of
17 the Arkansas Franchise Practices Act, is amended to add an additional
18 subsection to read as follows:

19 (d) This subchapter does not apply to business relations, actions, or
20 transactions between an insurance company and an insurance agent who solicits
21 or sells insurance on behalf of the insurance company.

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23 SECTION 4. DO NOT CODIFY. Retroactivity.

24 (a) Section 2 of this act applies retroactively to the effective date
25 of Acts 1991, No. 411.

26 (b) Section 3 of this act applies retroactively to the effective date
27 of Acts 1991, No. 760.

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