

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Scott**

A Bill

ACT 1269 OF 1993
SENATE BILL 612

For An Act To Be Entitled

"AN ACT TO PROVIDE THAT THE WORKERS_ COMPENSATION ASSIGNED
RISK PLAN SHALL ACCEPT POLICIES OF WORKERS_ COMPENSATION
INSURANCE WHICH PROVIDE COVERAGE TO A CONTRACTOR OR
ASSOCIATION OF CONTRACTORS WHO PROVIDE LOGGING SERVICES TO
A NAMED INSURED; TO AUTHORIZE THE COMMISSIONER OF
INSURANCE TO CERTIFY FIVE OR MORE EMPLOYERS IN CLASS CODE
2702 AND/OR 2719 AS AN INSURANCE GROUP FOR PURPOSES OF
WORKERS' COMPENSATION SELF-INSURANCE; AND FOR OTHER
PURPOSES."

Subtitle

"RELATING TO THE WORKERS_ COMPENSATION ASSIGNED RISK PLAN
AND WORKERS' COMPENSATION SELF-INSURANCE."

WHEREAS, the practice of issuing workers_ compensation policies that
provide coverage to a contractor or association of contractors who provide
logging services was recently discontinued in this State; and

WHEREAS, the discontinuation of this type of policy has imposed a
serious hardship on the logging industry; and

WHEREAS, the logging industry is one of Arkansas' principal industries
and it is in the best interests of the State and the logging industry in the
State that the policies providing coverage for individual contractors or
associations of contractors who provide logging services be reinstated; and

WHEREAS, this act is designed to require that such policies be accepted
and issued through the workers_ compensation assigned risk plan,

NOW THEREFORE,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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2 SECTION 1. Subchapter 2 of Chapter 67 of Title 23 of the Arkansas Code
3 is amended by inserting two additional sections at the end thereof to read as
4 follows:

5 "23-67-211. Association Policies. Under such rules and regulations as
6 shall be adopted by the Insurance Commissioner, and notwithstanding other
7 provisions of this chapter, the Commissioner is given the authority in the
8 Workers' Compensation Insurance Plan to allow the issuance of group or
9 association workers' compensation insurance policies to logging contractors or
10 dealers as sponsors, which said policies may, in turn, insure for workers
11 compensation and employers liability purposes no fewer than five (5)
12 independent contractors who provide logging services to such sponsoring
13 contractor or dealer; provided, however, that such association or group
14 coverage be made available on a non-discriminatory basis to all other
15 industries if the Commissioner rules that such coverage is reasonably
16 applicable to that industry and economically sound with respect to the
17 Workers' Compensation Insurance Plan.

18 23-67-212. Alternate Preferred Plan. The Commissioner shall establish
19 within the Arkansas Workers' Compensation Insurance Plan an Alternate
20 Preferred Plan for employers, including logging or pulpwood dealers or
21 contractors, who have carried workers compensation insurance coverage
22 continually for at least four (4) policy years and who have had better than
23 average loss experience and meet such additional reasonable standards as the
24 Commissioner shall by rule and regulation prescribe. Such Alternate Preferred
25 Plan shall address the issue of deductibles and deposit premiums and make such
26 provisions and allowances with respect thereto which are economically sound
27 and in the best interest of the Workers' Compensation Insurance Plan and the
28 industries affected."

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30 SECTION 2. All provisions of this act of a general and permanent nature
31 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
32 Revision Commission shall incorporate the same in the Code.

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34 SECTION 3. If any provision of this act or the application thereof to
35 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 act are declared to be severable.

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5 SECTION 4. All laws and parts of laws in conflict with this act are
6 hereby repealed.

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8 SECTION 5. EMERGENCY. It is hereby found and determined by the General
9 Assembly that the issuance of workers_ compensation policies covering
10 contractors or associations of contractors who provide logging services was
11 recently discontinued; that the discontinuation of such policies has placed a
12 hardship on the logging industry; that the logging industry is one of
13 Arkansas' principal industries; that this act is designed to provide for the
14 issuance of such policies and should be given effect immediately. Therefore,
15 an emergency is hereby declared to exist and this act being necessary for the
16 preservation of the public peace, health and safety shall be in full force and
17 effect from and after its passage and approval.

18 /s/ Senator Scott

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20 APPROVED: 4/21/93

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