

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

**Act 687 of the Regular Session**

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007  
4

*As Engrossed: H3/16/07*

**A Bill**

HOUSE BILL 2632

5 By: Representative Walters  
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**For An Act To Be Entitled**

9 AN ACT TO INCREASE THE RELIEF AVAILABLE FOR THE  
10 FAILURE TO PAY BONA FIDE LOSS CLAIMS; AND FOR  
11 OTHER PURPOSES.  
12

**Subtitle**

14 TO INCREASE THE RELIEF AVAILABLE FOR THE  
15 FAILURE TO PAY BONA FIDE LOSS CLAIMS.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code § 23-79-208 is amended to read as follows:

21 23-79-208. Damages and attorney's fees on loss claims.

22 (a)(1) In all cases in which loss occurs and the cargo, property,  
23 marine, casualty, fidelity, surety, cyclone, tornado, life, accident and  
24 health, medical, hospital, or surgical benefit insurance company and  
25 fraternal benefit society or farmers' mutual aid association or company  
26 liable therefor shall fail to pay the losses within the time specified in the  
27 policy after demand is made, the person, firm, corporation, or association  
28 shall be liable to pay the holder of the policy or his or her assigns, in  
29 addition to the amount of the loss, twelve percent (12%) damages upon the  
30 amount of the loss, together with all reasonable attorney's fees for the  
31 prosecution and collection of the loss.

32 (2) In no event will the holder of the policy or his or her  
33 assigns be liable for the attorney's fees incurred by the insurance company,  
34 fraternal benefit society, or farmers' mutual aid association in the defense  
35 of a case in which the insurer is found not liable for the loss.



1 (b) When attorney's fees are due a policyholder or his or her assigns,  
2 they shall be taxed by the court where the same is heard on original action,  
3 by appeal or otherwise, and shall be taxed up as a part of the costs therein  
4 and collected as other costs are or may be by law collected.

5 (c) Writs of attachment or garnishment filed or issued after proof of  
6 loss or death has been received by the company shall not defeat the  
7 provisions of this section, provided that the company or association desiring  
8 to pay the amount of the claim as shown in the proof of loss or death may pay  
9 the amount into the registry of the court, after issuance of writs of  
10 attachment and garnishment, in which event there shall be no further  
11 liability on the part of the company.

12 *(d)(1) Recovery of less than the amount demanded by the person*  
13 *entitled to recover under the policy shall not defeat the right to the*  
14 *twelve percent (12%) damages and attorney's fees provided for in this section*  
15 *if the amount recovered for the loss is within twenty percent (20%) of the*  
16 *amount demanded or which is sought in the suit.*

17 *(2) Notwithstanding the provisions of subdivision (d)(1) of this*  
18 *section, in all cases involving a homeowner's policy the right to reasonable*  
19 *attorney's fees provided for in this section shall arise if the amount*  
20 *recovered for the loss is within thirty percent (30%) of the amount demanded*  
21 *or which is sought in the suit.*

22 (e)(1) Notwithstanding the foregoing provisions of subsections (a)-(d)  
23 of this section, this section is not intended to either vitiate or supplant  
24 the provisions of the Arkansas Rules of Civil Procedure. Those rules and the  
25 relief described therein remain available to any litigant under the  
26 circumstances described in this section.

27 (2) Nothing in this section is intended to supersede, supplant,  
28 or in any way affect the rights and remedies under applicable law currently  
29 available to the insurance company, fraternal benefit society, or farmers'  
30 mutual aid association or company against policyholders who file fraudulent  
31 claims.

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33 /s/ Walters  
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35 APPROVED: 3/29/2007  
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