

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 210 of the Regular Session

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009

# A Bill

HOUSE BILL 1410

4  
5 By: Representatives Hoyt, Reynolds, Breedlove, J. Brown, Dunn, Everett, Glidewell, Kidd, M. Martin,  
6 Perry, Pierce, Saunders, Wells  
7 By: Senators T. Smith, R. Thompson, Bookout, B. Johnson, Bryles

## For An Act To Be Entitled

11 AN ACT TO CLARIFY THE DEFINITION OF CASUALTY  
12 INSURANCE TO INCLUDE MORTGAGE LIEN PROTECTION;  
13 AND FOR OTHER PURPOSES.

### Subtitle

16 TO CLARIFY THE DEFINITION OF CASUALTY  
17 INSURANCE TO INCLUDE MORTGAGE LIEN  
18 PROTECTION.

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

23 SECTION 1. Arkansas Code § 23-62-105(a)(15), concerning the meaning of  
24 "casualty insurance" under the Arkansas Insurance Code, is amended to read as  
25 follows:

26 (15)(A) Mortgage Lien Protection. Insurance issued at the time  
27 a loan is originated to indemnify a lender against loss from a borrower's  
28 misrepresentation or nondisclosure of an outstanding lien encumbering the  
29 borrower's property if the lender has no actual knowledge of the lien.

30 (B) Mortgage lien protection shall not be issued for:

31 (i) A transaction involving:

32 (a) A purchase money mortgage; or

33 (b) A transfer of title;

34 (ii) Coverage beyond the term of the loan;

35 (iii) Coverage for a diminution in value of secured



1 property; or

2 (iv) Coverage in excess of one hundred thousand  
3 dollars (\$100,000).

4 (C) The borrower's credit score shall not be used to  
5 determine the amount or cost of mortgage lien protection.

6 (D) Mortgage lien protection insurance shall not include  
7 any other insurance coverage that may be issued by a title insurer as defined  
8 in § 23-103-402; and

9 ~~(15)~~(16) Miscellaneous. Insurance against any other kind of  
10 loss, damage, or liability properly a subject of insurance and not within any  
11 other kind of insurance as defined in this subchapter and §§ 23-62-201, 23-  
12 62-202, 23-62-204, 23-62-205, and 23-63-701 if that insurance is not  
13 disapproved by the Insurance Commissioner as being contrary to law or public  
14 policy.

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16 **APPROVED: 2/20/2009**