

Hall of the House of Representatives
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of House Bill No. 2382

"TO ESTABLISH THE MULTI-AGENCY INSURANCE TRUST FUND TO PROVIDE FOR
PROPERTY, INLAND MARINE, BOILER AND MACHINERY, AND RELATED
COVERAGE."

Amendment No. 1 to House Bill No. 2382.

Amend House Bill No. 2382 as originally introduced:

Page 2, delete lines 7 through 32 and substitute the following:

21-2-803. Arkansas Multi-Agency Insurance Trust Fund.

(a) There is established on the books of the State Treasurer, the State Auditor, and the Chief Fiscal Officer of the State, a separate fund to be known as the Arkansas Multi-Agency Insurance Trust Fund.

(b) No money shall be appropriated from the trust fund for any purpose except to pay:

- (1) Insurance and reinsurance premiums;
- (2) Loss adjustment expenses;
- (3) Related educational and training expenses;
- (4) Insured claims falling below the annual aggregate deductible

level; and

(5) Expenses including actuarial, consultant, and service contract fees.

(c)(1) The assets of the trust fund may be invested and reinvested as the Insurance Commissioner may determine.

(2) All income derived through investment of the fund as established under this subchapter shall be credited as investment income to the trust fund.

(3) For the purposes of investment, fund moneys invested, and interest earned thereon shall be administered as trust funds.

(4) All moneys deposited to the trust fund shall not be subject to any deduction, tax, levy, or any other type of assessment.

(d) All moneys received by the risk manager, including, but not limited to, the premiums collected and any insured loss or loss expenses paid by insurance or reinsurance companies, shall be deposited in the trust fund created in this subchapter.

21-2-804. Participation.

(a) Effective July 1, 2003, the following agencies shall participate



in the Multi-Agency Insurance Trust Fund:

(1) State agencies participating in the Arkansas Master Agency Property Policy as of June 30, 2003;

(2) The Arkansas Department of Correction;

(3) The Arkansas Department of Community Correction; and

(4) State agencies participating in the Arkansas State Master Vehicle Policy as of June 30, 2003.

(b) Upon approval by the risk manager, other state agencies may participate in the trust fund.

21-2-805. Administration.

(a) The Arkansas Multi-Agency Insurance Trust Fund shall be administered by the Insurance Commissioner.

(b) At the discretion of the commissioner, the risk manager may:

(1) Enter into contracts;

(2) Purchase insurance and reinsurance in accordance with the State Purchasing Law;

(3) Adjust, settle, and pay or deny claims with notice to a claimant;

(4) Pay expenses and costs;

(5) Study the risks of all participating state agencies and their properties;

(6) Promulgate the form for insurance and reinsurance policies and other forms;

(7) Issue certificates of coverage to state agencies for any risks covered by the trust fund;

(8) Make recommendations about risk management and risk reduction strategies to participating state agencies;

(9) Review participating state agency building construction, major remodeling plans, program plans, and make recommendations to the participating state agency about needed changes to address risk considerations;

(10) Utilize underwriting discretion and authority to deny coverage of any risk deemed to adversely effect the financial stability of the trust fund;

(11) Establish values for participating state agency buildings and structures to be insured;

(12) Attend state agency planning and management meetings;

(13) Review any proposed legislation and communicate with members of the General Assembly and legislative committees about the liability or risk management issues connected with any legislation; and

(14) Solicit any needed information about state agency plans, state agency programs, or state agency risks necessary to perform the responsibilities under this subchapter.

(c)(1) The risk manager may expend moneys from the trust fund to procure and provide coverage to all participating state agencies and their indemnified employees, except those agencies or employees specifically exempted by statute or elsewhere in this subchapter.

(2) The risk manager shall apportion the costs of coverage under subdivision (c)(1) of this section consistent with this subchapter.

21-2-806. Premiums and schedules of coverage and endorsements.

(a)(1) Premiums shall be charged to each agency based on the rates established by the risk manager that include all costs associated with the operation of the trust fund, based upon sound rating techniques.

(2) The risk manager shall provide premium billings to participating state agencies for each renewal and for participating agency changes occurring during the policy year.

(3) If any participating state agency fails to pay its premium charges within thirty (30) days after the due date, the risk manager shall notify the delinquent state agency that coverage will be cancelled due to nonpayment of premium, unless the delinquent payment is made within thirty (30) days of the notice.

(4) Funds appropriated or otherwise made available to participating state agencies for payment of premium shall not be reduced as a result of any shortfall of projected revenues.

(b) The risk manager will provide each agency with a renewal schedule of coverage and an endorsement for each participating state agency change occurring during the policy year.

21-2-807. Payment of losses.

The risk manager shall establish:

(1) Appropriate policies and procedures governing the payment of losses from the trust fund, including notice or proof of loss by any participating state agency; and

(2) Policies and procedures governing disputes that may arise between the risk manager and any person having charge over the property in question concerning the extent of loss or damage.

21-2-809. Limits on use of risk management data as evidence.

Notwithstanding any other provision of law, any report, recommendation, survey, schedule, list, or data compiled, or action taken or not taken by or at the request of the risk manager to identify, evaluate, or plan the safety enhancement or risk reduction of any potential accident sites or other hazards related to any entity covered by the trust fund, may not be admitted into evidence in any court, or used for any other purposes in any action for damages arising from any occurrence at a location mentioned or addressed in the reports, recommendation, survey, schedule, list, or data.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the insurance market is volatile and that insurance costs are increasing; that assistance is immediately necessary to minimize insurance costs; that establishment of a trust fund is immediately necessary to protect state agency budgets from insurance market volatility; and that this subchapter is designed to provide property, inland marine, boiler and machinery, and automobile liability and physical damage coverage for state agencies participating in the trust fund. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

The Amendment was read _____
By: Representative Bradford
AAF/CDS - 040120030928
CDS469 _____ Chief Clerk