

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

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**Subtitle of House Bill No. 2833**

"REQUIRING THAT NOTICES CONCERNING INCREASES IN PREMIUMS OR  
DEDUCTIBLES, OR NOTICES OF RENEWAL OR NONRENEWAL, BE SENT BEFORE  
THE RENEWAL DATE."

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**Amendment No. 1 to House Bill No. 2833.**

Amend House Bill No. 2833 as originally introduced:

Delete everything after the enactment clause and substitute the following:

“SECTION 1. Arkansas Code Title 23, Chapter 79, Subchapter 1 is amended to add a new section to read as follows:

23-79-151. Notice required prior to expiration of workers' compensation, professional liability, and other insurance policies.

(a)(1) This section shall apply to workers' compensation insurance, employers' liability insurance, professional liability insurance, including medical malpractice insurance, and any other line of property and casualty insurance on commercial risks.

(2) However, this section shall not apply to:

(A) Reinsurance;

(B) Insurance against loss of or damage to aircraft, aircraft hulls, accessories, or equipment;

(C) Liability arising out of the ownership, maintenance, or use of aircraft;

(D) Ocean marine, foreign trade insurance, or title insurance;

(E) Surety or fidelity insurance;

(F) Credit insurance; and

(G) Large commercial risks.

(3) When an insurer writing insurance as provided in subdivision (a)(1) of this section revises its rates or rules and the revision results in a premium increase equal to or greater than twenty-five percent (25%) on any renewal policy issued for a term of twelve (12) months or less, the insurer shall mail or deliver to the insured's agent not less than sixty (60) days prior to the effective date of renewal, and to the insured not less than thirty (30) days prior to the effective date of renewal, notice specifically stating the insurer's intention to increase the premium by an amount equal to or greater than twenty-five percent (25%).

(4)(A) If the insurer does not provide notice as stated in



subdivision (a)(3) of this section, the insurer is required to extend the existing policy sixty (60) days from the date the notice is mailed or delivered.

(B) The premium for the policy as extended under subdivision (a)(1)(4)(A) of this section shall be no more than the pro rata premium of the existing policy.

(b) Except in the case of nonpayment of premium, an insurer shall renew a policy, unless a written notice of nonrenewal is mailed at least sixty (60) days prior to the expiration date of the policy or, for a policy for a term longer than one (1) year and not having a fixed expiration date, sixty (60) days prior to the anniversary date.

SECTION 2. Arkansas Code Title 23, Chapter 88, Subchapter 1, is amended to add a new section to read as follows:

23-88-104. Notice required prior to expiration of property insurance policy.

(a) Except for nonpayment of premium, the insurer shall give either a written notice of nonrenewal or an offer of renewal at least thirty (30) days prior to the expiration of the policy's existing term.

(b) The insurer shall send the insured a written notice and the insurance producer written or electronic notice of the offer of renewal under subsection (a) indicating the new premium and providing a description of any change in deductible or policy provision in the renewal policy.

SECTION 3. Arkansas Code § 23-89-305 is amended to read as follows:

~~23-89-305. Notice of~~ required prior to renewal or nonrenewal.

~~(a)(1) No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured at the address shown in the policy, at least twenty (20) days' notice of its intention not to renew and, unless it shall also mail or deliver to its agent serving the policy, at least thirty (30) days in advance of nonrenewal, a statement of the grounds for nonrenewal. The insurer shall give either a written notice of nonrenewal or an offer of renewal at least thirty (30) days prior to the expiration of the policy's existing term.~~

(2) The insurer shall send the insured a written notice and the insurance producer written or electronic notice of the offer of renewal under subdivision (a)(1) indicating the new premium and providing a description of any change in deductible or policy provisions in the renewal policy.

~~(b)(1) This section shall not apply+~~

~~(A) If the insurer has manifested its willingness to renew; or~~

~~(B) In in case of nonpayment of premium.~~

(2) However, notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies.

(c) Unless a statement of the grounds for nonrenewal accompanies or is included in the notice of nonrenewal, the notice of nonrenewal shall state or be accompanied by a statement that, upon written request of the named insured mailed or delivered to the insurer not less than fifteen (15) days prior to the effective date of the nonrenewal, the insurer shall specify the grounds for the nonrenewal.

(d) Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of the renewal.”

The Amendment was read \_\_\_\_\_  
By: Representative Napper  
AAF/CDS - 031820031403  
CDS386 \_\_\_\_\_ Chief Clerk