

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

A Bill

SENATE BILL 612

For An Act To Be Entitled

8 "AN ACT TO PROVIDE THAT THE WORKERS_ COMPENSATION ASSIGNED
9 RISK PLAN SHALL ACCEPT POLICIES OF WORKERS_ COMPENSATION
10 INSURANCE WHICH PROVIDE COVERAGE TO A CONTRACTOR OR
11 ASSOCIATION OF CONTRACTORS WHO PROVIDE LOGGING SERVICES TO
12 A NAMED INSURED; TO AUTHORIZE THE COMMISSIONER OF
13 INSURANCE TO CERTIFY FIVE OR MORE EMPLOYERS IN CLASS CODE
14 2702 AND/OR 2719 AS AN INSURANCE GROUP FOR PURPOSES OF
15 WORKERS' COMPENSATION SELF-INSURANCE; AND FOR OTHER
16 PURPOSES."

Subtitle

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

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

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

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

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

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34 NOW THEREFORE,

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

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

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

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

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

SECTION 3. If any provision of this act or the application thereof to

1 any person or circumstance is held invalid, such invalidity shall not affect
2 other provisions or applications of the act which can be given effect without
3 the invalid provision or application, and to this end the provisions of this
4 act are declared to be severable.

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

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

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/s/ Senator Scott

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As Engrossed: 3/24/93 3/31/93

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