

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

As Engrossed: S4/2/13

A Bill

SENATE BILL 903

5 By: Senator A. Clark
6

For An Act To Be Entitled

8 *AN ACT TO ENCOURAGE A HOMEOWNER TO MAINTAIN VOLUNTEER*
9 *FIRE DEPARTMENT MEMBERSHIP FOR AN INSURER TO APPLY A*
10 *RATE CREDIT OR REDUCED RATE ON HOMEOWNERS INSURANCE*
11 *PREMIUMS; AND FOR OTHER PURPOSES.*

Subtitle

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15 *TO ENCOURAGE A HOMEOWNER TO MAINTAIN*
16 *VOLUNTEER FIRE DEPARTMENT MEMBERSHIP FOR*
17 *AN INSURER TO APPLY A RATE CREDIT OR*
18 *REDUCED RATE ON HOMEOWNERS INSURANCE*
19 *PREMIUMS.*

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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 23-88-103(b), concerning rate discount for
25 members of a volunteer fire department, is amended to read as follows:

26 (b) ~~Any~~ A property or casualty insurance company ~~which~~ that gives ~~any~~
27 a rate credit or ~~any~~ a special reduced ~~rates~~ rate on risks located in a rural
28 fire protection district or in ~~any~~ an area protected by a rural fire
29 department, ~~which district or department~~ that is ~~wholly or partially~~
30 by assessments, dues, or subscription payments paid by owners of property
31 located in the rural fire protection district or property owners ~~who~~ that are
32 members of an association supporting the rural fire department, shall give
33 the rate credit or reduced rate only on risks insured by persons who pay the
34 appropriate assessment, dues, or subscription payments for support of the
35 rural fire protection district or rural fire department.
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1 SECTION 2. Arkansas Code § 23-88-301 is amended to read as follows:

2 23-88-301. Legislative intent.

3 It is declared by the General Assembly of the State of Arkansas that:

4 (1) ~~adequate~~ Adequate insurance upon property in the rural areas
5 is necessary to the economic welfare of the state; and

6 (2) ~~that while the~~ The need for such insurance is increasing, but
7 the market for it is not adequate and may become less adequate in the
8 future;

9 (3) It is the purpose of this subchapter to provide a mandatory
10 plan to assure an adequate market for property insurance on insurable risks
11 in the rural areas of Arkansas; and

12 (4) To improve membership retention of homeowners and property
13 owners in a volunteer rural fire department, the responsibility to bill and
14 mail fire department renewal subscription notices for rural fire departments
15 and districts is transferred to the Arkansas Fire Training Academy.

16
17 SECTION 3. Arkansas Code § 23-88-306(d), concerning a plan that
18 assures an adequate market for property insurance on insurable risks in the
19 rural areas of this state, is amended to read as follows:

20 (d)(1) The commissioner shall assess all members an amount not to
21 exceed two hundred dollars (\$200) annually, ~~if needed,~~ for the expense of
22 mailing fire department renewal subscription notices.

23 (2) On and after the effective date of this act, the Arkansas
24 Fire Training Academy shall be responsible for mailing fire department
25 renewal subscription notices to homeowners and property owners.

26
27 SECTION 4. DO NOT CODIFY. (a) On the effective date of this act, the
28 Arkansas Rural Risk Underwriting Association shall transfer to the Arkansas
29 Fire Training Academy the unexpended balances collected by the association
30 under § 23-88-306(d)(1) and the property, records, and assets of the
31 association that are necessary for the academy to mail the fire department
32 renewal subscription notices as required under § 23-88-306(d)(2).

33 (b) All cash fund balances of the association transferred to the
34 academy under this section shall be used for the expense of mailing fire
35 department renewal subscription notices to homeowners and property owners.

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/s/A. Clark