

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

SENATE BILL 133

5 By: Senator Rapert
6 By: Representative Henderson
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE PROPERTY AND CASUALTY LAW; TO
10 CLARIFY THE DEPRECIATION APPLICABLE WHEN DETERMINING
11 THE VALUE OF DAMAGED PROPERTY; AND FOR OTHER
12 PURPOSES.
13
14

Subtitle

15 TO AMEND THE PROPERTY AND CASUALTY LAW;
16 TO CLARIFY THE DEPRECIATION APPLICABLE
17 WHEN DETERMINING THE VALUE OF DAMAGED
18 PROPERTY.
19
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is
25 amended to add an additional section to read as follows:

26 23-88-106. Expense depreciation applicable when determining value of
27 damaged property in insurance policies – Definitions.

28 (a) As used in this section:

29 (1) "Damaged property" means a damaged dwelling, a damaged
30 structure, damaged personal property, or any other damaged property or
31 service, the damage to which is covered under the terms of an insurance
32 policy; and

33 (2) "Expense depreciation" means depreciation of the cost of all
34 goods, materials, labor, services, fees, permits, and taxes necessary to
35 replace, repair, or rebuild damaged property.

36 (b) An insurance policy covering damaged property:



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

(1) May allow for expense depreciation; and

(2) Shall provide notice within the insurance policy in a form approved by the Insurance Commissioner that expense depreciation may be deducted.

(c) If expense depreciation is applied to a loss for damaged property, the insurer shall provide a written explanation as to how the expense depreciation was calculated.