

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

As Engrossed: H3/20/03 H3/25/03

# A Bill

Act 1790 of 2003  
HOUSE BILL 2833

5 By: Representative Napper  
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## For An Act To Be Entitled

9 AN ACT TO REQUIRE THAT NOTICES CONCERNING  
10 INCREASES IN PREMIUMS OR DEDUCTIBLES, OR NOTICES  
11 OF RENEWAL OR NONRENEWAL, BE SENT TO AGENTS AND  
12 TO INSUREDS CARRYING CERTAIN PROPERTY AND  
13 CASUALTY INSURANCE POLICIES BEFORE THE RENEWAL  
14 DATE; AND FOR OTHER PURPOSES.

## Subtitle

16 REQUIRING THAT NOTICES CONCERNING  
17 INCREASES IN PREMIUMS OR DEDUCTIBLES, OR  
18 NOTICES OF RENEWAL OR NONRENEWAL, BE  
19 SENT BEFORE THE RENEWAL DATE.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 *SECTION 1. Arkansas Code Title 23, Chapter 79, Subchapter 1 is amended*  
26 *to add a new section to read as follows:*

27 *23-79-151. Notice Requirements for professional liability, including*  
28 *medical malpractice and workers compensation insurance prior to expiration of*  
29 *the policy.*

30 *(a)(1) When an insurer writing workers' compensation insurance,*  
31 *employers' liability insurance, or professional liability insurance,*  
32 *including, but not limited to, medical malpractice insurance, revises its*  
33 *rates or rules and the revision results in a premium increase equal to or*  
34 *greater than twenty-five percent (25%) on any renewal policy issued for a*  
35 *term of twelve (12) months or less, the insurer shall mail or deliver to the*  
36 *insured's agent not less than sixty (60) days prior to the effective date of*



1 renewal, and to the insured not less than thirty (30) days prior to the  
 2 effective date of renewal, notice specifically stating the insurer's  
 3 intention to increase the premium by an amount equal to or greater than  
 4 twenty-five percent (25%).

5 (2) If the notice is not given as stated in subdivision (a)(1)  
 6 of this section, the insurer is required to extend the existing policy sixty  
 7 (60) days from the date such notice is mailed or delivered. The premium for  
 8 the policy as extended in such circumstances shall be no more than the pro  
 9 rata premium of the existing policy.

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

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

18 23-88-104. Notice required prior to expiration of property insurance  
 19 policy.

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

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

27  
 28 SECTION 3. Arkansas Code § 23-89-305 is amended to read as follows:

29 23-89-305. Notice ~~of~~ required prior to renewal or nonrenewal.

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

1 existing term.

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

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

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

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

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

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

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

23 /s/ Napper

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26 APPROVED: 4/22/2003

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