

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S3/14/11

A Bill

HOUSE BILL 1439

5 By: Representative Hyde
6 By: Senator S. Harrelson
7

For An Act To Be Entitled

9 AN ACT TO REGULATE COMMERCIAL LIABILITY POLICIES AND
10 PRACTICES; AND FOR OTHER PURPOSES.
11

Subtitle

14 TO REGULATE COMMERCIAL LIABILITY POLICIES
15 AND PRACTICES.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. DO NOT CODIFY – Findings and purpose.

21 (a) It is found and determined by the General Assembly that:

22 (1) Arkansas court decisions have caused uncertainty over
23 whether the coverage provided to an insured under a commercial liability
24 insurance policy will include damages caused by faulty workmanship;

25 (2) Insurance consumers purchase commercial liability insurance
26 coverage for substantial premiums in good faith for the express purpose of
27 limiting their liability for faulty workmanship; and

28 (3) An insurer should not be allowed to collect premiums to
29 provide coverage against defects and then contest, deny, or fail to pay
30 claims caused by faulty workmanship unless the insurer and insured have
31 freely negotiated a specific exclusion from the coverage.

32 (b) It is the purpose of this act to allow an insurance consumer to
33 safely purchase commercial liability insurance coverage at a fair price to
34 insure against the risk of property damage or bodily injury resulting from
35 faulty workmanship.
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1 SECTION 2. Arkansas Code Title 23, Chapter 79, Subchapter 1 is amended
2 to add an additional section to read as follows:

3 23-79-155. Commercial general liability insurance.

4 (a) A commercial general liability insurance policy offered for sale
5 in this state shall contain a definition of "occurrence" that includes:

6 (1) Accidents, including continuous or repeated exposure to
7 substantially the same general harmful conditions; and

8 (2) Property damage or bodily injury resulting from faulty
9 workmanship.

10 (b) This section is not intended to restrict or limit the nature or
11 types of exclusions from coverage that an insurer may include in a commercial
12 general liability insurance policy.

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14 /s/Hyde

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17 **APPROVED: 03/23/2011**
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