

1 State of Arkansas *As Engrossed: S1/25/17 S2/6/17*

2 91st General Assembly

# A Bill

3 Regular Session, 2017

SENATE BILL 133

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5 By: Senator Rapert

6 By: Representative Henderson

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## 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.

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## Subtitle

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

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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 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, including but not  
34 limited to the cost of goods, materials, labor, and services necessary to  
35 replace, repair, or rebuild damaged property.

36 (b) An insurance policy covering damaged property:



1           (1) May allow for expense depreciation; and  
2           (2) Shall provide notice within the insurance policy in a form  
3 approved by the Insurance Commissioner that expense depreciation may be  
4 deducted.

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

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*/s/Rapert*

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**APPROVED: 02/28/2017**

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