

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 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1410

4
5 By: Representatives Hoyt, Reynolds, Breedlove, J. Brown, Dunn, Everett, Glidewell, Kidd, M. Martin,
6 Perry, Pierce, Saunders, Wells
7 By: Senators T. Smith, R. Thompson, Bookout, B. Johnson, Bryles

For An Act To Be Entitled

11 AN ACT TO CLARIFY THE DEFINITION OF CASUALTY
12 INSURANCE TO INCLUDE MORTGAGE LIEN PROTECTION;
13 AND FOR OTHER PURPOSES.

Subtitle

16 TO CLARIFY THE DEFINITION OF CASUALTY
17 INSURANCE TO INCLUDE MORTGAGE LIEN
18 PROTECTION.

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23 SECTION 1. Arkansas Code § 23-62-105(a)(15), concerning the meaning of
24 "casualty insurance" under the Arkansas Insurance Code, is amended to read as
25 follows:

26 (15)(A) Mortgage Lien Protection. Insurance issued at the time
27 a loan is originated to indemnify a lender against loss from a borrower's
28 misrepresentation or nondisclosure of an outstanding lien encumbering the
29 borrower's property if the lender has no actual knowledge of the lien.

30 (B) Mortgage lien protection shall not be issued for:

31 (i) A transaction involving:

32 (a) A purchase money mortgage; or

33 (b) A transfer of title;

34 (ii) Coverage beyond the term of the loan;

35 (iii) Coverage for a diminution in value of secured
36 property; or



1 (iv) Coverage in excess of one hundred thousand
2 dollars (\$100,000).

3 (C) The borrower's credit score shall not be used to
4 determine the amount or cost of mortgage lien protection.

5 (D) Mortgage lien protection insurance shall not include
6 any other insurance coverage that may be issued by a title insurer as defined
7 in § 23-103-402; and

8 ~~(15)~~(16) Miscellaneous. Insurance against any other kind of
9 loss, damage, or liability properly a subject of insurance and not within any
10 other kind of insurance as defined in this subchapter and §§ 23-62-201, 23-
11 62-202, 23-62-204, 23-62-205, and 23-63-701 if that insurance is not
12 disapproved by the Insurance Commissioner as being contrary to law or public
13 policy.

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