

INTERIM STUDY PROPOSAL 2019-155

State of Arkansas
92nd General Assembly
Second Extraordinary Session, 2020

A Bill

ANS/ANS
SENATE BILL

By: Senator Irvin

Filed with: Senate Committee on Public Health, Welfare, and Labor
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO PROVIDE A GRACE PERIOD FOR NONPAYMENT OF
INSURANCE PREMIUMS TO CERTAIN POLICYHOLDERS; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE A GRACE PERIOD FOR NONPAYMENT
OF INSURANCE PREMIUMS TO CERTAIN
POLICYHOLDERS; AND TO DECLARE AN
EMERGENCY.

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

SECTION 1. Arkansas Code Title 23, Chapter 79, Subchapter 1, is amended to add an additional section to read as follows:

23-79-164. Moratorium on cancellation or nonrenewal of insurance policies for nonpayment of insurance premiums due to coronavirus disease 2019 (COVID-19).

(a) If the Governor declares a disaster emergency under the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq., and § 20-7-110, as part of the state's response to coronavirus disease 2019 (COVID-19), an affected policyholder who is an Arkansas resident and who is diagnosed with coronavirus disease 2019 (COVID-19) may request an extension of up to sixty (60) days from the policyholder's insurance carrier to avoid cancellation or nonrenewal of an insurance policy due to nonpayment of one (1) or more insurance premiums.

1 (b) The extension described in subsection (a) of this section applies
2 to all insurance policies issued in this state.

3 (c) An insurance carrier may request evidence of a policyholder's
4 diagnosis of coronavirus disease 2019 (COVID-19).

5 (d) The extension described in subsection (a) of this section is not a
6 waiver.

7 (e) An insurance carrier is required to prepare a payment plan or
8 allow for a grace period of up to sixty (60) days for affected policyholders
9 to make payment in full of premiums that become due during the grace period
10 granted.

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12 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
13 General Assembly of the State of Arkansas that many Arkansans who are
14 diagnosed with coronavirus disease 2019 (COVID-19), or severe acute
15 respiratory syndrome coronavirus 2 (SARS-CoV-2) or any of its mutations, may
16 not be able to pay insurance premiums, prompting nonrenewal or cancellation
17 of an insurance policy and thereby causing unnecessary and undue stress; that
18 providing affected policyholders with the ability to apply for a grace period
19 of up to sixty (60) days could reduce the number of nonrenewal and
20 cancellations of insurance policies in the state due to nonpayment of
21 insurance premiums; and that this act is immediately necessary because
22 Arkansans who are diagnosed with coronavirus disease 2019 (COVID-19), or
23 severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) or any of its
24 mutations, need insurance to protect their lives and property in Arkansas.
25 Therefore, an emergency is declared to exist, and this act being immediately
26 necessary for the preservation of the public peace, health, and safety shall
27 become effective on:

28 (1) The date of its approval by the Governor;

29 (2) If the bill is neither approved nor vetoed by the Governor,
30 the expiration of the period of time during which the Governor may veto the
31 bill; or

32 (3) If the bill is vetoed by the Governor and the veto is
33 overridden, the date the last house overrides the veto.

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36 Referred by Senator Irvin

1 Prepared by: ANS/ANS
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