

2 State of Arkansas

3 92nd General Assembly

4 Second Extraordinary Session, 2020

# A Bill

ANS/ANS

SENATE BILL

5  
6 By: Senator Irvin

7 Filed with: Senate Committee on Public Health, Welfare, and Labor

8 pursuant to A.C.A. §10-3-217.

## 9 For An Act To Be Entitled

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

## 13 14 15 Subtitle

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

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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 79, Subchapter 1, is  
25 amended to add an additional section to read as follows:

26 23-79-164. Moratorium on cancellation or nonrenewal of insurance  
27 policies for nonpayment of insurance premiums due to coronavirus disease 2019  
28 (COVID-19).

29 (a) If the Governor declares a disaster emergency under the Arkansas  
30 Emergency Services Act of 1973, § 12-75-101 et seq., and § 20-7-110, as part  
31 of the state's response to coronavirus disease 2019 (COVID-19), an affected  
32 policyholder who is an Arkansas resident and who is diagnosed with  
33 coronavirus disease 2019 (COVID-19) may request an extension of up to sixty  
34 (60) days from the policyholder's insurance carrier to avoid cancellation or  
35 nonrenewal of an insurance policy due to nonpayment of one (1) or more  
36 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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