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INTERIM STUDY PROPOSAL 2013-053

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S4/2/13 S4/5/13

A Bill

SENATE BILL 903

By: Senator A. Clark

Filed with: Interim Senate Committee on Insurance and Commerce
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

*AN ACT TO ENCOURAGE A HOMEOWNER TO MAINTAIN VOLUNTEER
FIRE DEPARTMENT MEMBERSHIP FOR AN INSURER TO APPLY A
RATE CREDIT OR REDUCED RATE ON HOMEOWNERS INSURANCE
PREMIUMS; AND FOR OTHER PURPOSES.*

Subtitle

*TO ENCOURAGE A HOMEOWNER TO MAINTAIN
VOLUNTEER FIRE DEPARTMENT MEMBERSHIP FOR
AN INSURER TO APPLY A RATE CREDIT OR
REDUCED RATE ON HOMEOWNERS INSURANCE
PREMIUMS.*

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

SECTION 1. Arkansas Code § 23-88-103(b), concerning rate discount for members of a volunteer fire department, is amended to read as follows:

(b) ~~Any~~ A property or casualty insurance company ~~which that~~ gives ~~any~~ a rate credit or ~~any a~~ special reduced ~~rates~~ rate on risks located in a rural fire protection district or in ~~any an~~ an area protected by a rural fire department, ~~which district or department that~~ that is ~~wholly or partially~~ funded by assessments, dues, or subscription payments paid by owners of property located in the rural fire protection district or property owners ~~who that~~ that are members of an association supporting the rural fire department, shall give the rate credit or reduced rate only on risks insured by persons who pay the

1 appropriate assessment, dues, or subscription payments for support of the
2 rural fire protection district or rural fire department.

3
4 SECTION 2. Arkansas Code § 23-88-301 is amended to read as follows:
5 23-88-301. Legislative intent.

6 It is declared by the General Assembly of the State of Arkansas that:

7 (1) ~~adequate~~ Adequate insurance upon property in the rural areas
8 is necessary to the economic welfare of the state; ~~and~~

9 (2) ~~that while the~~ The need for such insurance is increasing, but
10 the market for it is not adequate and may become less adequate in the
11 future; ;

12 (3) It is the purpose of this subchapter to provide a mandatory
13 plan to assure an adequate market for property insurance on insurable risks
14 in the rural areas of Arkansas; and

15 (4) To improve membership retention of homeowners and property
16 owners in a volunteer rural fire department, the responsibility to bill and
17 mail fire department renewal subscription notices for rural fire departments
18 and districts is transferred to the Arkansas Fire Training Academy.

19
20 SECTION 3. Arkansas Code § 23-88-306(d), concerning a plan that
21 assures an adequate market for property insurance on insurable risks in the
22 rural areas of this state, is amended to read as follows:

23 (d)(1) The commissioner shall assess all members an amount not to
24 exceed two hundred dollars (\$200) annually, if needed, for the expense of
25 mailing fire department renewal subscription notices.

26 (2) Beginning September 1, 2013, the Arkansas Fire Training
27 Academy shall be responsible for mailing fire department renewal subscription
28 notices to homeowners and property owners.

29
30 SECTION 4. DO NOT CODIFY. (a) Beginning September 1, 2013, the
31 Arkansas Rural Risk Underwriting Association shall transfer to the Arkansas
32 Fire Training Academy the unexpended balances collected by the association
33 under § 23-88-306(d)(1) and the property, records, and assets of the
34 association that are necessary for the academy to mail the fire department
35 renewal subscription notices as required under § 23-88-306(d)(2).

