

INTERIM STUDY PROPOSAL 2013-053

1  
2 State of Arkansas  
3 89th General Assembly  
4 Regular Session, 2013

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

**A Bill**

SENATE BILL 903

5  
6 By: Senator A. Clark

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

**For An Act To Be Entitled**

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

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16 **Subtitle**

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

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

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

28 (b) ~~Any~~ A property or casualty insurance company ~~which~~ that gives ~~any~~  
29 a rate credit or ~~any~~ a special reduced ~~rates~~ rate on risks located in a rural  
30 fire protection district or in ~~any~~ an area protected by a rural fire  
31 department, ~~which~~ district or department ~~that~~ is ~~wholly or partially~~ funded  
32 by assessments, dues, or subscription payments paid by owners of property  
33 located in the rural fire protection district or property owners ~~who~~ that are  
34 members of an association supporting the rural fire department, shall give  
35 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.

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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.

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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.

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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).

1         (b) All cash fund balances of the association transferred to the  
2         academy under this section shall be used for the expense of mailing fire  
3         department renewal subscription notices to homeowners and property owners.

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5                                 /s/A. Clark  
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8         Referred by the Arkansas Senate

9         Prepared by: ANS/VJF  
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