

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

502

By: Senator Nelson

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 23-79-307 TO REQUIRE INSURERS'
NOTIFICATION TO POLICYHOLDERS AND AGENTS AS TO CERTAIN
PREMIUM INCREASED ON RENEWAL OF COMMERCIAL PROPERTY AND
CASUALTY INSURANCE POLICIES; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 23-79-307 is hereby amended by adding new subsection (6) as follows:

"(6) When an insurer has filed a revision of rates or rules which results in a premium increase equal to or greater than twenty-five percent (25%) on any renewal policy issued for a term of twelve (12) months or less, the insurer shall mail or deliver to the agent of record not less than thirty (30) days prior to the effective date of renewal, and to the insured not less than ten (10) days prior to the effective date of renewal, notice of the insurer's intention to increase the premium. Such notice must specify the percentage of increase. If the notice is not given as stated above the insurer is required to extend the existing policy thirty (30) days from the date such notice is mailed or delivered. The premium for the policy as extended in such circumstances shall be no more than the pro rata premium of the existing policy."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed. This Act shall be deemed cumulative of prior laws, and no prior law or part of a law shall be deemed to be in conflict with this Act unless failure to so determine would prevent giving effect to an explicit provision of this Act.

SECTION 3. The provisions of this Act shall be effective on and after

January 1, 1990.

SECTION 4. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.