

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H2/15/05

A Bill

HOUSE BILL 1198

5 By: Representative Matayo
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For An Act To Be Entitled

9 AN ACT TO AMEND THE VALUED POLICY LAW TO ADDRESS
10 CLAIMS UNDER TWO (2) OR MORE INSURANCE POLICIES;
11 AND FOR OTHER PURPOSES.
12

Subtitle

14 TO AMEND THE VALUED POLICY LAW TO
15 ADDRESS CLAIMS UNDER TWO (2) OR MORE
16 INSURANCE POLICIES.
17
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 23-88-101 is amended to read as follows:
22 23-88-101. Valued policy law.

23 (a) ~~In~~ Except as provided in subsections (b) and (c) of this section,
24 in case of a total loss by fire or natural disaster of the property insured,
25 a property insurance policy other than for flood and earthquake insurance
26 shall be held and considered to be a liquidated demand against the company
27 taking the risk for the full amount stated in the policy or the full amount
28 upon which the company charges, collects, or receives a premium.

29 (b)(1) If the property is insured by two (2) or more insurers, then
30 the insured's total recovery from all insurance coverage shall not exceed the
31 amount recoverable under the policy with the highest stated value.

32 (2) The terms of the policies shall dictate the percentage to be
33 paid under each policy.

34 (3) An insurer paying less than the limits of its policy shall
35 refund to its insured the percentage of the annual premium computed by
36 dividing the amount the insurer is excused from paying under this subsection



1 (b) by the limits of the policy.

2 ~~(b)(c)~~ However, ~~the~~ The provisions of subsections (a) and (b) of this
3 section shall not apply to:

4 (1) ~~personal~~ Personal property or detached or appurtenant
5 structures; or

6 (2) Creditor-placed insurance under §§ 23-101-101 through 23-
7 101-114.

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/s/ Matayo

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