

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

# A Bill

SENATE BILL 159

4  
5 By: Senator Wilkinson  
6 By: Representative Walters

## For An Act To Be Entitled

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10 AN ACT TO PROVIDE RELIEF FROM THE SUSPENSION OF  
11 WORKERS' COMPENSATION COVERAGE BASED UPON EXPIRED  
12 CERTIFICATES OF NONCOVERAGE; AND FOR OTHER  
13 PURPOSES.

## Subtitle

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16 TO PROVIDE RELIEF FROM THE SUSPENSION OF  
17 WORKERS' COMPENSATION COVERAGE BASED  
18 UPON EXPIRED CERTIFICATES OF  
19 NONCOVERAGE.

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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 § 11-9-402(d), concerning workers'  
25 compensation certificates of noncoverage, is amended to read as follows:

26 (d)(1) A certification of noncoverage issued by the commission after  
27 July 1, 2001, shall be valid for two (2) years after the effective date  
28 stated thereon. Both the effective date and the expiration date must be  
29 listed on the face of the certificate by the commission. The certificate must  
30 expire at midnight two (2) years from its issue date, as noted on the face of  
31 the certificate.

32 (2) Any certification of noncoverage that is in effect on July  
33 1, 2001, shall expire as follows:

34 (A) A certification of noncoverage issued in the years  
35 1993 or 1994 shall expire at midnight on September 30, 2001;

36 (B) A certification of noncoverage issued in the years



1 1995 or 1996 shall expire at midnight on December 31, 2001;

2 (C) A certification of noncoverage issued in the years  
3 1997 or 1998 shall expire at midnight on March 31, 2002; and

4 (D) A certification of noncoverage issued in the years  
5 1999 or 2000 shall expire at midnight on June 30, 2002.

6 (3) The commission may assess a fee not to exceed fifty dollars  
7 (\$50.00) with each application for a certification of noncoverage or any  
8 renewals thereof.

9 (4) Any certification of noncoverage issued by the commission  
10 shall contain the social security number and notarized signature of the  
11 applicant. The notarization shall be in a form and manner prescribed by the  
12 commission.

13 (5) The commission may by rule prescribe forms and procedures  
14 for ~~issuing or renewing~~ issuing, renewing, or reinstating a certification of  
15 noncoverage.

16 (6)(A) A certificate of noncoverage that has expired under  
17 subdivision (d)(2) of this section may be reinstated through the commission  
18 by a subcontractor or contractor on the subcontractor's behalf at any time  
19 prior to December 31, 2005.

20 (B) The commission may assess a fee not to exceed fifty  
21 dollars (\$50.00) with each application to reinstate a certification of  
22 noncoverage.

23 (C) If no compensable claim has been paid by a carrier  
24 based upon an expired certificate of noncoverage under subdivision (d)(2) of  
25 this section, reinstatement of a certificate of noncoverage shall relieve the  
26 contractor of liability for any unpaid premium attributable to the reinstated  
27 certificate of noncoverage.

28 (D) Workers' compensation coverage shall not be cancelled  
29 due to the failure to pay the premium attributable to a reinstated  
30 certificate of noncoverage or, if cancelled, shall be renewed at the  
31 insurance carrier's customary rates.

32  
33 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
34 General Assembly of the State of Arkansas that many Arkansas contractors have  
35 lost or are in danger of losing their workers' compensation coverage due to  
36 their failure to learn of the change in the law providing for the expiration

1 of certificates of noncoverage; that a grace period to reinstate expired  
2 certificates of noncoverage, the adjustment of premiums assessed based upon  
3 reinstated certificates of noncoverage when no claims have arisen, and the  
4 reinstatement of insurance coverage is fair and equitable; and that this act  
5 is necessary to provide immediate insurance protection for the workers of  
6 affected contractors. Therefore, an emergency is declared to exist and this  
7 act being immediately necessary for the preservation of the public peace,  
8 health, and safety shall become effective on:

9 (1) The date of its approval by the Governor;

10 (2) If the bill is neither approved nor vetoed by the Governor,  
11 the expiration of the period of time during which the Governor may veto the  
12 bill; or

13 (3) If the bill is vetoed by the Governor and the veto is  
14 overridden, the date the last house overrides the veto.

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