

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: H3/16/15
A Bill

HOUSE BILL 1906

5 By: Representative Hammer
6

7 **For An Act To Be Entitled**

8 TO ALLOW A REVIEW OF A DECISION BY AN ADVISORY
9 ORGANIZATION; TO PROVIDE THE AUTHORITY FOR THE STATE
10 FIRE MARSHAL ENFORCEMENT SECTION TO ASSIST THE
11 INSURANCE COMMISSIONER IN REVIEWING RATE FILINGS; AND
12 FOR OTHER PURPOSES.
13

14 **Subtitle**

15 TO ALLOW A REVIEW OF A DECISION BY AN
16 ADVISORY ORGANIZATION; AND TO PROVIDE THE
17 AUTHORITY FOR THE STATE FIRE MARSHAL
18 ENFORCEMENT SECTION TO ASSIST THE
19 INSURANCE COMMISSIONER IN REVIEWING RATE
20 FILINGS.
21
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 12-13-105, concerning the duties of the
27 State Fire Marshal Enforcement Section, is amended to add two additional
28 subdivisions to read as follows:

29 (8) Review rate filings by an advisory organization and
30 determine if the evaluation of fire protection services is reasonable and
31 appropriate; and

32 (9) Make recommendations to the Insurance Commissioner
33 concerning a rate filing's fire protection services.
34

35 SECTION 2. Arkansas Code Title 12, Chapter 13, Subchapter 1, is
36 amended to add an additional section to read as follows:



1 12-13-117. Review of rate filings by advisory organizations –
2 Recommendations to Insurance Commissioner.

3 (a) The State Fire Marshal Enforcement Section may review the rate
4 filings filed by an advisory organization with the Insurance Commissioner if:

5 (1) The rate filing is based on the effectiveness of fire
6 protection services; and

7 (2) Upon request of the Insurance Commissioner or a person
8 affected by a rate filing.

9 (b) The State Fire Marshal Enforcement Section shall review a rate
10 filing by:

11 (1) Reassessing the fire protection services of each area of the
12 state under a rate filing to determine whether or not the analysis of the
13 area's fire protection services were graded accurately considering the area's
14 concerns, characteristics, and equipment and support available for fire
15 protection services;

16 (2) Advising the commissioner if the rate filing is reasonable
17 and appropriate; and

18 (3) Recommending further review or action by the commissioner
19 concerning the rate filing.

20 (c) A recommendation by the State Fire Marshal Enforcement Section is
21 not binding on the commissioner.

22 (d) The State Fire Marshal Enforcement Section shall make its
23 recommendations under this section to the commissioner within thirty (30)
24 days after receipt of a request to review a rate filing.

25 (e) The State Fire Marshal Enforcement Section shall draw upon the
26 experience and knowledge of different individuals in this state to make an
27 informed recommendation to the commissioner.

28
29 *SECTION 3. Arkansas Code § 23-67-218(b), concerning records and*
30 *reports of advisory organizations, is amended to read as follows:*

31 *(b)(1) The commissioner may designate ~~one (1) or more~~ an advisory*
32 *~~organizations~~ organization to assist ~~him or her~~ the commissioner in*
33 *gathering, compiling, and reporting the information.*

34 *(2) ~~No~~ An insurer ~~shall be~~ is not required to record or report*
35 *its experience on a classification basis inconsistent with its own rating*
36 *system.*

