

1 State of Arkansas As Engrossed: H3/16/15 H3/18/15 S3/26/15

2 90th General Assembly

# A Bill

3 Regular Session, 2015

HOUSE BILL 1906

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5 By: Representative Hammer

6 By: Senator Rapert

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## For An Act To Be Entitled

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TO ALLOW A REVIEW OF A DECISION BY AN ADVISORY

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ORGANIZATION; TO PROVIDE THE AUTHORITY FOR THE STATE

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FIRE MARSHAL ENFORCEMENT SECTION TO ASSIST THE

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INSURANCE COMMISSIONER IN REVIEWING RATE FILINGS; AND

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FOR OTHER PURPOSES.

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## Subtitle

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TO ALLOW A REVIEW OF A DECISION BY AN

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ADVISORY ORGANIZATION; AND TO PROVIDE THE

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AUTHORITY FOR THE STATE FIRE MARSHAL

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ENFORCEMENT SECTION TO ASSIST THE

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INSURANCE COMMISSIONER IN REVIEWING RATE

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FILINGS.

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

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27 SECTION 1. Arkansas Code § 12-13-105, concerning the duties of the

28 State Fire Marshal Enforcement Section, is amended to add two additional

29 subdivisions to read as follows:

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(8) Review fire protection class code determinations by an

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advisory organization and determine if the evaluation of fire protection

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services is reasonable and appropriate; and

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(9) Upon request, make recommendations to the Insurance

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Commissioner concerning filings made to the commissioner concerning fire

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protection standards.

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

3 12-13-117. Review of fire protection class code determinations by  
4 advisory organizations – Recommendations to Insurance Commissioner.

5 (a) The State Fire Marshal Enforcement Section may review fire  
6 protection standards filings filed by an advisory organization with the  
7 Insurance Commissioner if:

8 (1) The filing is based on the effectiveness of fire protection  
9 services; and

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

12 (b) The State Fire Marshall Enforcement Section shall review a fire  
13 protection class code determination by:

14 (1) Reassessing the fire protection services of each area of the  
15 state under approved standards to determine whether or not the analysis of  
16 the area's fire protection services were graded accurately considering the  
17 area's concerns, characteristics, and equipment and support available for  
18 fire protection services;

19 (2) Advising the commissioner if the fire protection class code  
20 determination is reasonable and appropriate; and

21 (3) Recommending further review or action by the commissioner  
22 concerning the fire protection class code determination.

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

25 (d) The State Fire Marshal Enforcement Section shall make its  
26 recommendations under this section to the commissioner within thirty (30)  
27 days after receipt of a request to review a fire protection standards filing.

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

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

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

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

(3) The commissioner may request a review of fire protection standards previously approved if filed by an advisory organization.

/s/Hammer