

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1840

5 By: Representative Johnson  
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## For An Act To Be Entitled

8 AN ACT CONCERNING THE APPLICATION OF INSURANCE  
9 PROCEEDS RESULTING FROM FIRE DAMAGE TO PROPERTY  
10 COVERED BY PROPERTY INSURANCE; AND FOR OTHER  
11 PURPOSES.  
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### Subtitle

14 CONCERNING THE APPLICATION OF INSURANCE  
15 PROCEEDS RESULTING FROM FIRE DAMAGE TO  
16 PROPERTY COVERED BY PROPERTY INSURANCE.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is  
23 amended to add an additional section to read as follows:

24 23-88-106. Application of insurance proceeds.

25 (a) In case of a partial or total loss by fire of the property  
26 insured, an insured shall use a portion of insurance proceeds received on a  
27 claim under a property insurance policy for damage to a one (1) to four (4)  
28 family owner-occupied dwelling to pay for debris removal.

29 (b)(1) Before a property insurance policy makes payment to a party on  
30 a claim under a property insurance policy for damage to a one (1) to four (4)  
31 family owner-occupied dwelling, a property insurance insurer shall require an  
32 insured to use a portion of the insurance proceeds to pay to complete the  
33 removal of debris as a result of any fire damage to the covered property.

34 (2) A property insurance insurer shall retain ten percent (10%)  
35 of the payment to a party on a claim under a property insurance policy until  
36 the insurer has confirmed that the debris from the damage to the insured



1 property has been removed and cleared.  
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