

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: S1/25/17 S2/6/17
A Bill

SENATE BILL 133

By: Senator Rapert
By: Representative Henderson

For An Act To Be Entitled

AN ACT TO AMEND THE PROPERTY AND CASUALTY LAW; TO
CLARIFY THE DEPRECIATION APPLICABLE WHEN DETERMINING
THE VALUE OF DAMAGED PROPERTY; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND THE PROPERTY AND CASUALTY LAW;
TO CLARIFY THE DEPRECIATION APPLICABLE
WHEN DETERMINING THE VALUE OF DAMAGED
PROPERTY.

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

SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is amended to add an additional section to read as follows:

23-88-106. Expense depreciation applicable when determining value of damaged property in insurance policies – Definitions.

(a) As used in this section:

(1) "Damaged property" means a damaged dwelling, a damaged structure, damaged personal property, or any other damaged property or service, the damage to which is covered under the terms of an insurance policy; and

(2) "Expense depreciation" means depreciation, including but not limited to the cost of goods, materials, labor, and services necessary to replace, repair, or rebuild damaged property.

(b) An insurance policy covering damaged property:



(1) May allow for expense depreciation; and

(2) Shall provide notice within the insurance policy in a form approved by the Insurance Commissioner that expense depreciation may be deducted.

(c) If expense depreciation is applied to a loss for damaged property, the insurer shall provide a written explanation as to how the expense depreciation was calculated.

/s/Rapert

APPROVED: 02/28/2017