

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

SENATE BILL 579

By: Senator Standridge

## For An Act To Be Entitled

AN ACT CONCERNING THE VALUED POLICY LAW; AND FOR  
OTHER PURPOSES.

### Subtitle

CONCERNING THE VALUED POLICY LAW.

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

SECTION 1. Arkansas Code § 23-88-101 is amended to read as follows:  
23-88-101. Valued policy law.

(a)(1) Except as provided in subsection (b) of this section, in case of a total loss by fire or natural disaster of the property insured, a property insurance policy other than for flood and earthquake insurance shall be held and considered to be a liquidated demand against the company taking the risk for the full amount stated in the property insurance policy or the full amount upon which the company charges, collects, or receives a premium.

(2) For property covered under a commercial insurance policy, the amount paid under subdivision (a)(1) of this section shall be reduced by the amount of retention or deductible provided by the commercial insurance policy.

(b) This section does not apply:

(1) If a total loss by fire or a natural disaster other than a flood or an earthquake:

(A) Is caused by the insured or someone acting on behalf of or in collusion with the insured, through:

(i) a criminal act;

(ii) Intentional misrepresentation;



(iii) Fraud; or

(iv) Deceit of the insured or someone acting on behalf of or in collusion with the insured; or

(B)(i) Is covered by two (2) or more property insurance policies that insure the same property.

(ii) If two (2) or more property insurance policies insure the same property:

(a) The insured shall recover the lesser of:

(1) The face amount of the property insurance policy with the highest limit of coverage; or

(2) The insured's interest in the property; and

(b) Each insurer shall pay the proportionate share that its property insurance policy bears to the amount the insured is entitled to recover under subdivision (b)(1)(B)(ii)(a) of this section;

(2) If the completed value of a building, structure, mobile home, or manufactured building is insured under a builder's risk insurance policy;

(3)(A) If the claim is for the total loss of a building that is insured under a blanket insurance policy for a stated amount that covers two (2) or more buildings or that covers buildings and personal property.

(B) A Settlement of a claim for the total loss to a building that is insured by a blanket insurance policy for a stated amount that covers two (2) or more buildings or that covers buildings and personal property shall be ~~settled for the actual replacement cost or actual cash value of the building under the terms of the blanket insurance policy based upon the specific value assigned for the purpose of rating the policy to each building or other property before the loss~~ based on an initial payment of the value assigned for the purpose of rating the policy to each affected building before the loss, with any balance remaining being settled according to the terms and conditions of the blanket insurance policy; or

(4) To personal property or detached or appurtenant structures.

**APPROVED: 03/27/2017**