

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4
5 By: Senator Hopkins
6 Representative Faris

A Bill

SENATE BILL 720

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 23-88-103 CONCERNING RATE
10 CREDITS OR REDUCED RATES IN RURAL FIRE PROTECTION
11 DISTRICTS OR AREAS; AND TO PROVIDE FOR THE ADJUSTMENT OF
12 THE BOUNDARIES OF OVERLAPPING FIRE PROTECTION DISTRICTS;
13 AND FOR OTHER PURPOSES."

Subtitle

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15 "AN ACT CONCERNING RATE CREDITS OR
16 REDUCED RATES IN RURAL FIRE PROTECTION
17 DISTRICTS OR AREAS; AND TO CONCERNING
18 OVERLAPPING BOUNDARIES OF FIRE
19 PROTECTION DISTRICTS."
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code 23-88-103, concerning rate credits or reduced
25 rates in rural fire protection districts or areas, is amended to read as
26 follows:

27 §(c)(1) It is unlawful for any insurance agent or company to knowingly
28 write an initial policy of fire insurance coverage on any risk located in a
29 rural fire protection district or in any area protected by a rural fire
30 department at any special reduced rate or with any rate credit based on the
31 location of the risk in such a district or area without having first obtained
32 from the insured or from the fire department providing service in the district
33 or area evidence showing that a current assessment, dues, or subscription
34 payments for the property to be insured have been paid to the fire department
35 serving the area in which the insured property is located. The evidence
36 required by the insurer may be, but is not limited to, a receipt, cancelled

1 check, or other valid proof of payment provided by the insured.

2 (2) If any agent is found by the Insurance Commissioner to have
3 violated the provisions of this subsection, the agent shall be liable for an
4 administrative penalty of ~~twenty-five dollars (\$25.00)~~ one hundred dollars
5 (\$100) for the first violation and ~~fifty dollars (\$50.00)~~ five hundred dollars
6 (\$500) for the second violation. For any subsequent violation, the agent shall
7 be liable for an administrative penalty of five hundred (\$500) dollars plus an
8 amount equal to the difference between the amount of the premium actually
9 charged on the particular policy involved based on the special rate and the
10 amount of premium which would have been charged if the special rate had not
11 been applied.↘

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13 SECTION 2. The State Forestry Commission shall have authority to adjust
14 the boundaries of fire protection district having overlapping boundaries. The
15 commission shall adjust the boundaries of overlapping fire districts upon the
16 request of either district. The commission shall adjust the boundaries so
17 that each district receives approximately fifty percent (50%) of the area that
18 is within the boundaries of both districts.

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20 SECTION 3. All provisions of this act of a general and permanent
21 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
22 Code Revision Commission shall incorporate the same in the Code.

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24 SECTION 4. If any provision of this act or the application thereof to
25 any person or circumstance is held invalid, such invalidity shall not affect
26 other provisions or applications of the act which can be given effect without
27 the invalid provision or application, and to this end the provisions of this
28 act are declared to be severable.

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30 SECTION 5. All laws and parts of laws in conflict with this act are
31 hereby repealed.

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