

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S4/2/13 S4/5/13
A Bill

SENATE BILL 903

By: Senator A. Clark

For An Act To Be Entitled

*AN ACT TO ENCOURAGE A HOMEOWNER TO MAINTAIN VOLUNTEER
FIRE DEPARTMENT MEMBERSHIP FOR AN INSURER TO APPLY A
RATE CREDIT OR REDUCED RATE ON HOMEOWNERS INSURANCE
PREMIUMS; AND FOR OTHER PURPOSES.*

Subtitle

*TO ENCOURAGE A HOMEOWNER TO MAINTAIN
VOLUNTEER FIRE DEPARTMENT MEMBERSHIP FOR
AN INSURER TO APPLY A RATE CREDIT OR
REDUCED RATE ON HOMEOWNERS INSURANCE
PREMIUMS.*

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

SECTION 1. Arkansas Code § 23-88-103(b), concerning rate discount for members of a volunteer fire department, is amended to read as follows:

(b) ~~Any~~ A property or casualty insurance company ~~which~~ that gives ~~any~~ a rate credit or ~~any~~ a special reduced ~~rates~~ rate on risks located in a rural fire protection district or in ~~any~~ an area protected by a rural fire department, ~~which district or department~~ that is ~~wholly or partially~~ funded by assessments, dues, or subscription payments paid by owners of property located in the rural fire protection district or property owners ~~who~~ that are members of an association supporting the rural fire department, shall give the rate credit or reduced rate only on risks insured by persons who pay the appropriate assessment, dues, or subscription payments for support of the rural fire protection district or rural fire department.



*SECTION 2. Arkansas Code § 23-88-301 is amended to read as follows:
23-88-301. Legislative intent.*

It is declared by the General Assembly of the State of Arkansas that:

(1) ~~adequate~~ Adequate insurance upon property in the rural areas is necessary to the economic welfare of the state; ~~and~~

(2) ~~that while the~~ The need for such insurance is increasing, but the market for it is not adequate and may become less adequate in the future;

(3) It is the purpose of this subchapter to provide a mandatory plan to assure an adequate market for property insurance on insurable risks in the rural areas of Arkansas; and

(4) To improve membership retention of homeowners and property owners in a volunteer rural fire department, the responsibility to bill and mail fire department renewal subscription notices for rural fire departments and districts is transferred to the Arkansas Fire Training Academy.

SECTION 3. Arkansas Code § 23-88-306(d), concerning a plan that assures an adequate market for property insurance on insurable risks in the rural areas of this state, is amended to read as follows:

(d)(1) The commissioner shall assess all members an amount not to exceed two hundred dollars (\$200) annually, if needed, for the expense of mailing fire department renewal subscription notices.

(2) Beginning September 1, 2013, the Arkansas Fire Training Academy shall be responsible for mailing fire department renewal subscription notices to homeowners and property owners.

SECTION 4. DO NOT CODIFY. (a) Beginning September 1, 2013, the Arkansas Rural Risk Underwriting Association shall transfer to the Arkansas Fire Training Academy the unexpended balances collected by the association under § 23-88-306(d)(1) and the property, records, and assets of the association that are necessary for the academy to mail the fire department renewal subscription notices as required under § 23-88-306(d)(2).

(b) All cash fund balances of the association transferred to the academy under this section shall be used for the expense of mailing fire department renewal subscription notices to homeowners and property owners.

/s/A. Clark