

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

State of Arkansas      *As Engrossed: H3/16/15 H3/18/15 S3/26/15*  
90th General Assembly      **A Bill**  
Regular Session, 2015

HOUSE BILL 1906

By: Representative Hammer

*By: Senator Rapert*

### **For An Act To Be Entitled**

TO ALLOW A REVIEW OF A DECISION BY AN ADVISORY ORGANIZATION; TO PROVIDE THE AUTHORITY FOR THE STATE FIRE MARSHAL ENFORCEMENT SECTION TO ASSIST THE INSURANCE COMMISSIONER IN REVIEWING RATE FILINGS; AND FOR OTHER PURPOSES.

### **Subtitle**

TO ALLOW A REVIEW OF A DECISION BY AN ADVISORY ORGANIZATION; AND TO PROVIDE THE AUTHORITY FOR THE STATE FIRE MARSHAL ENFORCEMENT SECTION TO ASSIST THE INSURANCE COMMISSIONER IN REVIEWING RATE FILINGS.

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

SECTION 1. Arkansas Code § 12-13-105, concerning the duties of the State Fire Marshal Enforcement Section, is amended to add two additional subdivisions to read as follows:

(8) Review fire protection class code determinations by an advisory organization and determine if the evaluation of fire protection services is reasonable and appropriate; and

(9) Upon request, make recommendations to the Insurance Commissioner concerning filings made to the commissioner concerning fire protection standards.



SECTION 2. Arkansas Code Title 12, Chapter 13, Subchapter 1, is amended to add an additional section to read as follows:

12-13-117. Review of fire protection class code determinations by advisory organizations – Recommendations to Insurance Commissioner.

(a) The State Fire Marshal Enforcement Section may review fire protection standards filings filed by an advisory organization with the Insurance Commissioner if:

(1) The filing is based on the effectiveness of fire protection services; and

(2) Upon request of the Insurance Commissioner or a person affected by a rate filing.

(b) The State Fire Marshall Enforcement Section shall review a fire protection class code determination by:

(1) Reassessing the fire protection services of each area of the state under approved standards to determine whether or not the analysis of the area's fire protection services were graded accurately considering the area's concerns, characteristics, and equipment and support available for fire protection services;

(2) Advising the commissioner if the fire protection class code determination is reasonable and appropriate; and

(3) Recommending further review or action by the commissioner concerning the fire protection class code determination.

(c) A recommendation by the State Fire Marshal Enforcement Section is not binding on the commissioner.

(d) The State Fire Marshal Enforcement Section shall make its recommendations under this section to the commissioner within thirty (30) days after receipt of a request to review a fire protection standards filing.

(e) The State Fire Marshal Enforcement Section shall draw upon the experience and knowledge of different individuals in this state to make an informed recommendation to the commissioner.

SECTION 3. Arkansas Code § 23-67-218(b), concerning records and reports of advisory organizations, is amended to read as follows:

(b)(1) The commissioner may designate ~~one (1) or more~~ an advisory ~~organizations~~ organization to assist ~~him or her~~ the commissioner in gathering, compiling, and reporting the information.

(2) No An insurer shall be is not required to record or report its experience on a classification basis inconsistent with its own rating system.

(3) The commissioner may request a review of fire protection standards previously approved if filed by an advisory organization.

/s/Hammer