

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

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1840

By: Representative Johnson

For An Act To Be Entitled

AN ACT CONCERNING THE APPLICATION OF INSURANCE
PROCEEDS RESULTING FROM FIRE DAMAGE TO PROPERTY
COVERED BY PROPERTY INSURANCE; AND FOR OTHER
PURPOSES.

Subtitle

CONCERNING THE APPLICATION OF INSURANCE
PROCEEDS RESULTING FROM FIRE DAMAGE TO
PROPERTY COVERED BY PROPERTY INSURANCE.

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. Application of insurance proceeds.

(a) In case of a partial or total loss by fire of the property insured, an insured shall use a portion of insurance proceeds received on a claim under a property insurance policy for damage to a one (1) to four (4) family owner-occupied dwelling to pay for debris removal.

(b)(1) Before a property insurance policy makes payment to a party on a claim under a property insurance policy for damage to a one (1) to four (4) family owner-occupied dwelling, a property insurance insurer shall require an insured to use a portion of the insurance proceeds to pay to complete the removal of debris as a result of any fire damage to the covered property.

(2) A property insurance insurer shall retain ten percent (10%) of the payment to a party on a claim under a property insurance policy until the insurer has confirmed that the debris from the damage to the insured



property has been removed and cleared.