

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1950

By: Representative Torres
By: Senator Dees

Filed with: House Committee on Insurance and Commerce
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO PROTECT LICENSED FAMILY CHILDCARE HOMES FROM
TERMINATION OF HOMEOWNERS INSURANCE COVERAGE; TO
PROHIBIT DISCRIMINATION AGAINST LICENSED FAMILY
CHILDCARE HOMES BY HOMEOWNERS INSURANCE PROVIDERS;
AND FOR OTHER PURPOSES.

Subtitle

TO PROTECT LICENSED FAMILY CHILDCARE
HOMES FROM TERMINATION OF HOMEOWNERS
INSURANCE COVERAGE; AND TO PROHIBIT
DISCRIMINATION AGAINST LICENSED FAMILY
CHILDCARE HOMES BY HOMEOWNERS
INSURANCE PROVIDERS.

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

SECTION 1. Arkansas Code Title 23, Chapter 88, is amended to add an
additional subchapter to read as follows:

Subchapter 6 – Prohibition of Discrimination Against Licensed Family
Childcare Homes

23-88-601. Purpose.

The purpose of this subchapter is to ensure that licensed family childcare homes in
Arkansas are protected from the termination or nonrenewal of homeowners insurance based solely

on their operation as licensed family childcare homes.

23-88-602. Definitions.

As used in this subchapter:

(1) "Homeowners insurance policy" means a type of property insurance policy that provides financial protection against certain risks associated with homeownership;

(2) "Licensed family childcare home" means a residence licensed by the Department of Education to provide childcare services to a specified number of children;

(3) "Personal liability insurance policy" means an insurance policy that provides coverage for claims made against the insured for bodily injury or property damage caused by the insured's negligence; and

(4) "Separate personal liability insurance policy" means an insurance policy that provides a minimum coverage of one hundred thousand dollars (\$100,000) per occurrence specifically for liabilities arising from operation of a licensed family childcare home.

23-88-603. Protection from insurance cancellations – Discrimination against licensed family childcare homes prohibited – Minimum personal liability insurance required.

(a) A homeowners insurance provider shall not:

(1) Cancel or refuse to renew a homeowners insurance policy of a licensed family childcare home based solely on the operation of a licensed family childcare home if the licensed family childcare home meets or exceeds all applicable rules of the Department of Education; or

(2) Charge rates that exceed the rate amount of a homeowners insurance policy with the same square footage or value.

(b) An operator of a licensed family childcare home shall maintain a separate personal liability insurance policy with a minimum coverage amount of one hundred thousand dollars (\$100,000) per occurrence in addition to the operator's homeowners insurance policy.

(c) A homeowners insurance provider shall provide:

(1) Written notice to a licensed family childcare home of any reason for potential cancellation of the homeowners insurance policy or nonrenewal of the homeowners insurance policy; and

(2) An opportunity for an operator of a licensed family childcare home to remedy the situation that resulted in the potential cancellation of the homeowners insurance policy or nonrenewal of the homeowners insurance policy that does not include ceasing operations of the licensed family childcare home.

23-88-604. Responsibilities of operators of licensed family childcare homes.

(a) An operator of a licensed family childcare home shall submit proof of the operator's separate personal liability insurance policy to the operator's homeowners insurance provider annually or upon renewal of the operator's homeowners insurance policy.

(b) An operator of a licensed family childcare home shall comply with all local and state rules and federal regulations regarding the operation of a licensed family childcare home to remain eligible for the protections described in this subchapter.

23-88-605. Enforcement.

(a)(1) The Department of Education shall enforce this subchapter.

(2) The Department of Education shall promulgate rules to implement and administer this subchapter.

(b)(1) An operator of a licensed childcare facility may file a complaint with the Department of Education if the operator believes the operator's homeowners insurance provider has violated this subchapter.

(2) If an operator of a licensed childcare facility files a complaint with the Department of Education under subdivision (b)(1) of this section shall make a referral to the State Insurance Department.

23-88-606. Severability.

If any provision of this subchapter is found to be unconstitutional or otherwise invalid, the remaining provisions shall continue in effect.

Referred requested by the Arkansas House of Representatives

Prepared by: ANS/AMS