

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A Bill

SENATE BILL 211

4 **By: Senators Beebe and Harriman**

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For An Act To Be Entitled

9 "AN ACT TO PROVIDE THAT PUNITIVE DAMAGES SHALL NOT BE
10 AWARDED IN CIVIL ACTIONS THAT ARISE OUT OF CONTRACTS
11 INVOLVING FINANCIAL INSTITUTIONS; AND FOR OTHER PURPOSES."

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

15 *SECTION 1. (a) For the purposes of this Act, the term "financial*
16 *institutions" means banks, savings and loan associations, and credit unions*
17 *located within the State of Arkansas and which are insured by an agency of the*
18 *federal government.*

19 *(b) This section shall be applicable in civil actions in*
20 *which a claim is asserted against a financial institution, whether by*
21 *complaint, counterclaim, third party complaint, or other pleading. If a claim*
22 *asserted against a financial institution is determined by the court to be a*
23 *breach of contract claim arising out of a loan of money or other extension of*
24 *credit by the financial institution to the person asserting the claim, then,*
25 *unless it is found that the person asserting the claim suffered personal*
26 *injury or physical damage to property as a result of the financial*
27 *institution's alleged action or inaction, punitive damages shall not be*
28 *awarded to the person asserting the claim.*

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SECTION 2. All provisions of this Act of a general and permanent nature
are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
Revision Commission shall incorporate the same in the Code.

34 *SECTION 3. If any provision of this Act or the application thereof to*
35 *any person or circumstance is held invalid, such invalidity shall not affect*

1 other provisions or applications of the Act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 Act are declared to be severable.

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5 SECTION 4. All laws and parts of laws in conflict with this Act are
6 hereby repealed.

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/s/Beebe, et al

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