

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Hoofman**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF THE MOTOR VEHICLE
9 SAFETY RESPONSIBILITY ACT, ARKANSAS CODE §§ 27-19-101 ET
10 SEQ., TO SET THE AMOUNT OF SECURITY DEPOSITS REQUIRED FOR
11 PERSONS WHO ARE INVOLVED IN AUTOMOBILE ACCIDENTS WITH
12 BODILY INJURY OR PROPERTY DAMAGE AND WHO ARE WITHOUT MOTOR
13 VEHICLE INSURANCE; AND FOR OTHER PURPOSES."

Subtitle

16 "AN ACT TO SET THE AMOUNT OF THE REQUIRED SECURITY
17 DEPOSITS FOR PERSONS WHO ARE INVOLVED IN AUTOMOBILE
18 ACCIDENTS AND WHO ARE WITHOUT MOTOR VEHICLE INSURANCE."

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

22 SECTION 1. Arkansas Code § 27-19-603 is hereby amended to read as
23 follows:

24 "27-19-603. Determination and notice of amount of security required.

25 (a) (1) Within thirty (30) days after an accident has occurred, and
26 provided the accident has been reported to the office within thirty (30) days,
27 the office shall determine the amount of security which shall be deposited to
28 satisfy any judgment for damages resulting from the accident as may be
29 recovered against each driver or owner based on an amount equal to the minimum
30 limits specified in § 27-19-605. The amount of security required to be
31 deposited shall be, if the accident resulted in bodily injury or death to one
32 (1) person, twenty-five thousand dollars (\$25,000) or, if the accident
33 resulted in bodily injury or death to two (2) or more persons in any one (1)
34 accident, fifty thousand dollars (\$50,000) or, if the accident resulted in the
35 injury to or the destruction of property of others in any one (1) accident,

1 fifteen thousand dollars (\$15,000) or, if the accident resulted in both bodily
2 injury or death and in the destruction of property, a combination of these
3 amounts.

4 (2) Determination shall not be made with respect to drivers or
5 owners who are exempt under provisions of any other section of this chapter
6 from the requirements as to security or suspension of motor vehicle
7 registration and driving privilege.

8 (b)(1) The office shall determine the amount of security deposit
9 required of any person upon the basis of the reports or other information
10 submitted. The office's determination shall be limited to whether the
11 accident resulted in bodily injury or death to one (1) person or two (2) or
12 more persons in any one (1) accident or to injury to or destruction of
13 property of others in any one (1) accident or a combination of these.

14 (2) In the event a person involved in an accident as described in
15 this chapter fails to make a report or submit information indicating the
16 existence of any injuries or damage to his property within thirty (30) days
17 after the accident and the office has issued reasonable notice to such person
18 if it is possible to give the notice, otherwise without notice, then the
19 office shall not require any deposit of security for the benefit or protection
20 of such person.

21 (c) The office, no sooner than fifty (50) days after the date of an
22 accident as referred to in this chapter, and upon determining the amount of
23 security to be required of any person involved in the accident or to be
24 required of the owner of any vehicle involved in the accident, shall give
25 written notice to every person of the amount of security required to be
26 deposited by him and then an order of suspension will be made upon the
27 expiration of twenty (20) days after the sending of the notice unless within
28 this time security is deposited as required by the notice."

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30 SECTION 2. Arkansas Code § 27-19-607 is hereby amended to read as
31 follows:

32 "27-19-607. Form and amount of security.

33 The security required under this subchapter shall be in such form as the
34 office may require and shall be in such amount equal to the minimum amounts
35 specified in § 27-19-605 based on the determination of whether the accident

1 resulted in bodily injury or death to one (1) or more people or injury to or
2 destruction of property of others or both."

3

4 SECTION 3. Arkansas Code § 27-19-609 is hereby amended to read as
5 follows:

6 "27-19-609. Authority to adjust amount limited.

7 (a) The office may adjust the amount of security ordered in any case
8 within six (6) months after the date of the accident, but only if and limited
9 to the extent it determines a mistake was made in determining whether the
10 accident resulted in bodily injury or death to one (1) person or two (2) or
11 more persons in any one (1) accident or to the injury to or the destruction of
12 property of others in any one (1) accident or a combination of these.

13 (b) In case the security originally ordered has been deposited, the
14 excess deposit over the reduced amount ordered shall be returned to the
15 depositor or his personal representative forthwith."

16

17 SECTION 4. Arkansas Code § 27-19-612 is hereby amended to read as
18 follows:

19 "27-19-612. Agreements for payment of damages.

20 (a) Any two (2) or more of the persons involved in, or affected by, an
21 accident as described in § 27-19-601 may, at any time, enter into a written
22 agreement for the payment of an agreed amount with respect to all claims of
23 any of such persons because of bodily injury or death or property damage
24 arising from the accident, which may provide for payment in installments, and
25 may file a signed copy thereof with the office.

26 (b) In the event any such written agreement is filed with the office,
27 the office shall not require the deposit of security and shall terminate any
28 prior order of suspension, or, if security has previously been deposited, the
29 office shall immediately return the security to the depositor or his personal
30 representative.

31 (c) (1) In the event of a default in any payment under the agreement and
32 upon notice of default within one (1) year, the office shall take action
33 suspending the license or the registration or both the license and
34 registration of such person in default as would be appropriate in the event of
35 failure of the person to deposit security when required under this subchapter.

1 (2) The suspension shall remain in effect and the license or
2 registration shall not be restored unless and until:

3 (A) Security is deposited as required under this subchapter
4 in such amount as the office may then determine is required under this
5 subchapter; or

6 (B) When, following any such default and suspension, the
7 person in default has paid the balance of the agreed amount; or

8 (C) One (1) year has elapsed following the effective date
9 of the suspension, and evidence satisfactory to the office has been filed with
10 it that during that period no action at law upon the agreement has been
11 instituted and is pending."
12

13 SECTION 5. Arkansas Code § 27-19-613 is hereby amended to read as
14 follows:

15 "27-19-613. Release from liability.

16 (a) A person shall be relieved from the requirement for deposit of
17 security for the benefit or protection of another person injured or damaged in
18 the accident in the event he is released from liability by such other person.

19 (b) A covenant not to sue shall relieve the parties thereto as to each
20 other from the security requirements of this subchapter.

21 (c) In the event the office determines the injuries or damage to any
22 minor is less than the amount required for depositing security for an accident
23 under § 27-19-601, the office may accept, for the purposes of this subchapter
24 only, evidence of a release from liability executed by a natural guardian or a
25 legal guardian on behalf of the minor without the approval of any court or
26 judge."
27

28 SECTION 6. Arkansas Code § 27-19-617 is hereby amended to read as
29 follows:

30 "27-19-617. Disposition of security.

31 (a) Security provided under this subchapter shall be applicable and
32 available only for:

33 (1) The payment of any settlement agreement covering any claim
34 arising out of the accident upon instruction of the person who made the
35 deposit; or

1 (2) The payment of a judgment rendered against the person
2 required to make the deposit, for damages arising out of the accident in an
3 action at law begun not later than one (1) year after the deposit of such
4 security, or within one (1) year after the date of deposit of any security
5 following failure to make payments under an agreement to pay.

6 (b) Every distribution of funds from the security deposits shall be
7 subject to the limits of the amounts required under this subchapter."

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9 SECTION 7. Arkansas Code § 27-19-620 is hereby amended to read as
10 follows:

11 "27-19-620. Corrective administrative action.

12 (a) Whenever the office has taken any action or has failed to take any
13 action under this subchapter by reason of having received erroneous
14 information or by reason of having received insufficient information, then
15 correcting information may be submitted within one (1) year of the accident,
16 if an accident report has been filed, whereupon the office shall take
17 appropriate action to carry out the purposes and effect of this chapter.

18 (b) Subsection (a) shall not, however, be deemed to require the office
19 to either redetermine the amount of any deposit required under this subchapter
20 or to act upon any accident report not filed pursuant to §§ 27-19-501 and
21 27-19-509."

22

23 SECTION 8. All provisions of this act of general and permanent nature
24 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
25 Revision Commission shall incorporate the same in the Code.

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27 SECTION 9. If any provisions of this act or the application thereof to
28 any person or circumstance is held invalid, the invalidity shall not affect
29 other provisions or applications of the act which can be given effect without
30 the invalid provisions or application, and to this end the provisions of this
31 act are declared to be severable.

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33 SECTION 10. All laws and parts of laws in conflict with this act are
34 hereby repealed.

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