

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: H2/19/97 H3/7/97 H3/21/97

A Bill

HOUSE BILL 1210

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5 By: Representative Miller
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For An Act To Be Entitled

9 "AN ACT RELATING TO NOTIFICATION TO LIENHOLDERS OF CHANGES
10 IN POLICIES AND CONTRACTS OF VEHICLE CASUALTY INSURANCE
11 AND TO PAYMENT OF INSURANCE CLAIMS FOR DAMAGES TO VEHICLES
12 SUBJECT TO LIENS; AND FOR OTHER PURPOSES."

Subtitle

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15 "NOTIFICATION TO LIENHOLDERS OF CHANGES
16 IN VEHICLE CASUALTY POLICIES AND
17 CONTRACTS AND TO PAYMENT OF INSURANCE
18 CLAIMS ON VEHICLES SUBJECT TO LIENS."
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. All claims paid by an insurer authorized to do business in
23 this state to any person having a claim under any policy or contract of
24 vehicle casualty insurance as defined in 23-62-105 shall be paid by check or
25 draft of the insurer payable jointly to the order of the claimant and the
26 lienholder who holds a first lien of record against the vehicle of the insured
27 or claimant.

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29 SECTION 2. Every insurer paying a claim under any policy or contract of
30 vehicle casualty insurance shall mail or deliver the check or draft for
31 payment of the claim to the claimant or a lienholder within ten (10) working
32 days after all claim investigations are completed, the claim is processed and
33 the files are closed.

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35 SECTION 3. Every insurer issuing any policy or contract of vehicle
36 casualty insurance covering a risk in this state shall notify the holder of

1 any lien of record on the insured vehicle of any modification, cancellation or
2 expiration of the policy or contract. The notification shall be given in
3 writing and at least ten (10) days before the effective date of the proposed
4 modification, cancellation or expiration.

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6 SECTION 4. Any insurer which violates or fails to comply with the
7 provisions of this act shall pay to the Arkansas Department of Insurance a
8 penalty in the amount of four hundred dollars (\$400) for each such violation
9 or failure to comply.

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11 SECTION 5. All provisions of this act of a general and permanent nature
12 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
13 Revision Commission shall incorporate the same in the Code.

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15 SECTION 6. If any provision of this act or the application thereof to
16 any person or circumstance is held invalid, such invalidity shall not affect
17 other provisions or applications of the act which can be given effect without
18 the invalid provision or application, and to this end the provisions of this
19 act are declared to be severable.

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21 SECTION 7. All laws and parts of laws in conflict with this act are
22 hereby repealed.

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/s/Rep. Miller

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