

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: S3/19/03

A Bill

SENATE BILL 406

5 By: Senator Hendren
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For An Act To Be Entitled

9 AN ACT TO REQUIRE INSURANCE COMPANIES TO PROVIDE
10 THEIR NATIONAL ASSOCIATION OF INSURANCE
11 COMMISSIONERS' CODE NUMBERS ON AUTOMOBILE PROOF
12 *OF INSURANCE CARDS; TO REPEAL ARKANSAS CODE § 27-*
13 *22-108; TO REQUIRE THE ARKANSAS CRIME INFORMATION*
14 *CENTER TO PROVIDE LAW ENFORCEMENT OFFICERS WITH*
15 *ACCESS TO THE INSURANCE INFORMATION DATABASE; AND*
16 *FOR OTHER PURPOSES.*

Subtitle

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18
19 AN ACT TO AMEND THE LAWS REGARDING
20 INFORMATION REQUIRED TO BE SHOWN ON
21 AUTOMOBILE PROOF OF INSURANCE CARDS AND
22 *TO REPEAL ARKANSAS CODE § 27-22-108 AND*
23 *TO PROVIDE ACCESS TO THE INSURANCE*
24 *INFORMATION DATABASE.*

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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Arkansas Code § 23-89-213 is amended to read as follows:
30 23-89-213. Premium delinquencies.

31 (a) All insurance companies authorized to do business in this state
32 and issuing automobile liability insurance policies in this state shall
33 furnish to the insured a proof of insurance ~~card which shall contain the~~
34 ~~following information:~~ card.

35 (b) This proof of insurance card, or any temporary proof of insurance
36 issued by the insurance company, shall contain the following information:



1 (1) The name, address, ~~and~~ telephone number, and National
2 Association of Insurance Commissioners' code number of the insurer;

3 (2) The name and telephone number of the local agent through
4 whom the policy was issued, if any, or a blank space where a local agent's
5 name may be stamped or filled in;

6 (3) The policy number;

7 (4) The effective date of the insurance policy coverage and the
8 expiration date of the insurance policy coverage;

9 (5) The vehicle identification number and a brief description of
10 the insured vehicle; and

11 (6) The name and address of the insured person.

12 (c) At the discretion of the Insurance Commissioner, any person or
13 insurance company that violates this section may be subject to the following
14 penalties:

15 (1) Suspension or revocation of the person's or insurer's
16 certificate of authority to transact insurance in this state under § 23-63-
17 213; or

18 (2) A monetary penalty in lieu of revocation or suspension as
19 provided under § 23-63-213.

20
21 *SSECTION 2. Arkansas Code § 27-22-108 is repealed.*

22 ~~*27-22-108. Motor vehicle insurance comparison—Registration,*~~
23 ~~*revocation, and reinstatement procedures.*~~

24 ~~*(a) With the information provided to the Department of Finance and*~~
25 ~~*Administration under § 27-22-107, the Office of Motor Vehicle shall, at least*~~
26 ~~*monthly, compare all current motor vehicle registrations against the Vehicle*~~
27 ~~*Insurance Database.*~~

28 ~~*(b) If the comparison under subsection (a) of this section shows that*~~
29 ~~*a motor vehicle is not insured for three (3) consecutive months, the office*~~
30 ~~*shall provide notice of noncompliance to the owner of the motor vehicle. That*~~
31 ~~*owner has thirty (30) days to provide to the office proof that the vehicle is*~~
32 ~~*covered, either by:*~~

33 ~~*(1) A certificate of self-insurance under the provisions of §*~~
34 ~~*27-19-107; or*~~

35 ~~*(2) An insurance policy in amounts required under § 27-22-104*~~
36 ~~*issued by an insurance company authorized to do business in this state.*~~

1 ~~(c)(1) If the owner fails to provide satisfactory proof, the~~
2 ~~department shall proceed to suspend the registration of the uninsured vehicle~~
3 ~~effective thirty (30) days after the notice of noncompliance was issued.~~

4 ~~(2) An owner who has the owner's vehicle registration suspended~~
5 ~~in accordance with this subsection shall not be reissued a registration for~~
6 ~~that vehicle or have a registration renewed on the vehicle until the owner~~
7 ~~presents proof of insurance coverage or other financial security and pays the~~
8 ~~reinstatement fees provided for in subsection (e) of this section.~~

9 ~~(3)(A) If proof that insurance coverage or other financial~~
10 ~~security was in effect at the time the notice was sent is presented within~~
11 ~~thirty (30) days of the notice being sent, the vehicle insurance database~~
12 ~~shall be updated and the registration suspension actions shall cease at no~~
13 ~~cost to the owner of the vehicle.~~

14 ~~(B) If proof that insurance coverage or other financial~~
15 ~~security was in effect at the time the notice was sent is presented later~~
16 ~~than thirty (30) days after the notice was sent, the vehicle insurance~~
17 ~~database shall be updated and the registration will be restored effective on~~
18 ~~the date the proof was presented.~~

19 ~~(d) Any suspension by the department under this section shall be~~
20 ~~subject to the notice and hearing procedures under § 27-19-404 and shall~~
21 ~~remain in effect, and no registration shall be renewed for or issued to any~~
22 ~~person whose vehicle registration is so suspended until:~~

23 ~~(1) The person shall deposit or there shall be deposited on the~~
24 ~~person's behalf sufficient security as provided for under the Motor Vehicle~~
25 ~~Safety Responsibility Act, § 27-19-101 et seq.; or~~

26 ~~(2) The person shall furnish the department one of the~~
27 ~~following:~~

28 ~~(A) A certificate of self-insurance under the provisions~~
29 ~~of § 27-19-107; or~~

30 ~~(B) An insurance policy in amounts required under § 27-22-~~
31 ~~104 issued by an insurance company authorized to do business in this state.~~

32 ~~(e)(1) In order to reinstate the suspended registration and be~~
33 ~~reissued a new or renewed registration for any suspended motor vehicle, the~~
34 ~~owner shall present the proof of renewed or new financial coverage required~~
35 ~~in subdivision (d)(1) or (2) of this section to the department and shall pay~~
36 ~~to the department a fifty-dollar fee for reinstatement of the registration.~~

1 ~~(2) The revenues derived from this reinstatement fee shall be~~
2 ~~deposited as special revenues to the State Central Services Fund and credited~~
3 ~~as direct revenues to be used by the department to offset the costs of~~
4 ~~administering this section.~~

5 ~~(3) This fee shall be in addition to any registration fees,~~
6 ~~other fees, or other penalties for violations of the motor vehicle~~
7 ~~registration laws that shall be due and payable at the time of reinstatement.~~

8 ~~(f)(1) The registration of a vehicle that is out of service shall be~~
9 ~~suspended upon receipt of a notice from the owner stating that the vehicle is~~
10 ~~out of service. Once the vehicle is returned to service, the owner shall~~
11 ~~submit proof of insurance coverage or other financial security and the~~
12 ~~registration shall be restored at no charge.~~

13 ~~(2) The out of service notice shall be on a form designed and~~
14 ~~approved by the Director of the Department of Finance and Administration.~~

15 ~~(g) The department shall promulgate necessary rules and regulations~~
16 ~~for the administration of this section.~~

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18 SECTION 3. Effective July 1, 2004, Arkansas Code § 12-12-211 is
19 amended by adding an additional subsection to read as follows:

20 (e) The center shall provide access to the Insurance Verification
21 Database, which contains the information provided to the Arkansas Department
22 of Finance and Administration under § 27-22-107, to law enforcement officers
23 during the course of traffic stops.

24
25 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
26 General Assembly of the State of Arkansas that the lack of compliance with
27 the motor vehicle liability insurance law is epidemic in this state; that the
28 owners of motor vehicles that have not complied with mandatory insurance
29 requirements increase the potential financial catastrophe to others involved
30 in accidents with them; that this act is designed and intended to provide
31 enforcement provisions and to ensure increased compliance with the motor
32 vehicle liability insurance law of this state; and that the enactment of new
33 and enhanced penalties and requirements will increase compliance with the
34 motor vehicle liability insurance law. Therefore, an emergency is declared
35 to exist and this act being necessary for the preservation of the public
36 peace, health, and safety shall become effective on July 1, 2003.

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/s/ Hendren