

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/13/07

A Bill

HOUSE BILL 2622

5 By: Representatives Glidewell, Medley
6 By: Senator Altes
7
8

For An Act To Be Entitled

10 AN ACT TO INCREASE THE MINIMUM MOTOR VEHICLE
11 LIABILITY INSURANCE COVERAGE; TO AUTHORIZE LAW
12 ENFORCEMENT TO IMPOUND A MOTOR VEHICLE OPERATED
13 WITHOUT A LICENSE OR REGISTRATION; TO PROVIDE FOR
14 PAYMENT OF TOWING AND STORAGE CHARGES; AND FOR
15 OTHER PURPOSES.

Subtitle

18 TO INCREASE THE MINIMUM MOTOR VEHICLE
19 LIABILITY INSURANCE COVERAGE, TO
20 AUTHORIZE THE IMPOUNDMENT OF MOTOR
21 VEHICLES OPERATED WITHOUT LICENSE AND
22 REGISTRATION, AND TO PROVIDE PAYMENT FOR
23 TOWING AND SERVICE CHARGES.
24
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code § 27-22-104(b), concerning minimum motor
29 vehicle insurance coverage, is amended to read as follows:

30 (b) The policy shall provide as a minimum the following coverage:

31 (1) Not less than ~~twenty-five thousand dollars (\$25,000)~~ fifty
32 thousand dollars (\$50,000) for bodily injury or death of one (1) person in
33 any one (1) accident;

34 (2) Not less than ~~fifty thousand dollars (\$50,000)~~ one hundred
35 dollars (\$100,000) for bodily injury or death of two (2) or more persons in
36 any one (1) accident; and



1 (3) If the accident has resulted in injury to or destruction of
2 property, not less than twenty-five thousand dollars (\$25,000) for the injury
3 to or destruction of property of others in any one (1) accident.
4

5 SECTION 2. Arkansas Code § 27-19-603(a), concerning security deposits
6 for the failure to carry the minimum motor vehicle insurance coverage, is
7 amended to read as follows:

8 (a)(1) Within thirty (30) days after an accident has occurred, and
9 provided the accident has been reported to the Office of Driver Services
10 within thirty (30) days, the office shall determine the amount of security
11 which shall be deposited to satisfy any judgment for damages resulting from
12 the accident as may be recovered against each driver or owner based on an
13 amount equal to the minimum limits specified in § 27-19-605. The amount of
14 security required to be deposited shall be:

15 (A) If the accident resulted in bodily injury or death to
16 one (1) person, ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars
17 (\$50,000);

18 (B) If the accident resulted in bodily injury or death to
19 two (2) or more persons in any one (1) accident, ~~fifty thousand dollars~~
20 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000);

21 (C) If the accident resulted in the injury to or the
22 destruction of property of others in any one (1) accident, twenty-five
23 thousand dollars (\$25,000); or

24 (D) If the accident resulted in both bodily injury or
25 death and in the destruction of property, a combination of the amounts
26 specified in subdivisions (a)(1)(A)-(C) of this section.

27 (2) Determination shall not be made with respect to drivers or
28 owners who are exempt under provisions of any other section of this chapter
29 from the requirements as to security or suspension of motor vehicle
30 registration and driving privilege.
31

32 SECTION 3. Arkansas Code § 27-19-605(a), concerning a bond or
33 insurance policy in lieu of a security deposit for the failure to carry the
34 minimum motor vehicle insurance coverage, is amended to read as follows:

35 (a) No policy or bond shall be effective under § 27-19-604 unless
36 issued by an insurance company or surety company authorized to do business in

1 this state except as provided in subsection (b) of this section, nor unless
2 the policy or bond is subject, if the accident resulted in bodily injury or
3 death, to a limit, exclusive of interest and costs, of not less than ~~twenty-~~
4 ~~five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of
5 bodily injury or death of one (1) person in any one (1) accident and subject
6 to said limit for one (1) person, to a limit of not less than ~~fifty thousand~~
7 ~~dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily
8 injury or death of two (2) or more persons in any one (1) accident, and if
9 the accident has resulted in injury to or destruction of property, to a limit
10 of not less than twenty-five thousand dollars (\$25,000) because of injury to
11 or destruction of property of others in any one (1) accident.

12

13 SECTION 4. Arkansas Code § 27-19-701(1)(A), concerning proof of future
14 financial responsibility for the failure to carry the minimum motor vehicle
15 insurance coverage, is amended to read as follows:

16 (1)(A) "Proof of financial responsibility for the future" means proof
17 of ability to respond in damages for liability, on account of accidents
18 occurring subsequently to the effective date of said proof, arising out of
19 the ownership, maintenance, or use of a vehicle of a type subject to
20 registration under the laws of this state, in the amount of ~~twenty-five~~
21 ~~thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily
22 injury to or death of one (1) person in any one (1) accident, and subject to
23 said limit for one (1) person, in the amount of ~~fifty thousand dollars~~
24 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily injury to
25 or death of two (2) or more persons in any one (1) accident, and in the
26 amount of twenty-five thousand dollars (\$25,000) because of injury to or
27 destruction of property of others in any one (1) accident;

28

29 SECTION 5. Arkansas Code § 27-19-709 is amended to read as follows:

30 27-19-709. Payments sufficient to satisfy judgments.

31 (a) Judgments shall, for the purpose of this chapter only, be deemed
32 satisfied when:

33 (1) ~~Twenty five thousand dollars (\$25,000)~~ Fifty thousand
34 dollars (\$50,000) has been credited upon any judgment or judgments rendered
35 in excess of that amount because of bodily injury to or death of one (1)
36 person as the result of any one (1) accident;

1 (2) Subject to a limit of twenty-five thousand dollars (\$25,000)
2 because of bodily injury to or death of one (1) person, the sum of ~~fifty~~
3 ~~thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) has been
4 credited upon any judgment or judgments rendered in excess of that amount
5 because of bodily injury to or death of two (2) or more persons as the result
6 of any one (1) accident; or

7 (3) Twenty-five thousand dollars (\$25,000) has been credited
8 upon any judgment or judgments rendered in excess of that amount because of
9 injury to or destruction of property of others as a result of any one (1)
10 accident.

11 (b) Payments made in settlements of any claims because of bodily
12 injury, death, or property damage arising from the accident shall be credited
13 in reduction of the amounts provided for in this section.

14
15 SECTION 6. Arkansas Code § 27-19-713(b), concerning minimum motor
16 vehicle insurance coverage, is amended to read as follows:

17 (b) Owner's Policy. The owner's policy of liability insurance shall:

18 (1) Designate by explicit description or by appropriate
19 reference all vehicles with respect to which coverage is to be granted; and

20 (2) Insure the person named therein and any other person, as
21 insured, using any vehicle or vehicles with the express or implied permission
22 of the named insured, against loss from the liability imposed by law for
23 damages arising out of the ownership, maintenance, or use of the vehicle or
24 vehicles within the United States or Canada, subject to limits exclusive of
25 interest and costs, with respect to each vehicle, as follows: ~~twenty-five~~
26 ~~thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily
27 injury to or death of one (1) person in any one (1) accident and, subject to
28 said limit for one (1) person; ~~fifty thousand dollars (\$50,000)~~ one hundred
29 thousand dollars (\$100,000) because of bodily injury to or death of two (2)
30 or more persons in any one (1) accident; and twenty-five thousand dollars
31 (\$25,000) because of injury to or destruction of property of others in any
32 one (1) accident.

33
34 SECTION 7. Arkansas Code § 27-19-717(a), concerning proof of financial
35 responsibility in lieu of carrying the minimum motor vehicle insurance
36 coverage, is amended to read as follows:

1 (a)(1) Proof of financial responsibility may be evidenced by the
2 certificate of the Director of the Department of Finance and Administration
3 acting in his or her capacity as Commissioner of Motor Vehicles after filing
4 with the Office of Driver Services evidence that the person named therein has
5 deposited with him or her ~~seventy-five thousand dollars (\$75,000)~~ one hundred
6 twenty-five thousand dollars (\$125,000) in cash or securities other than
7 surety bonds that may be legally purchased by savings banks or for trust
8 funds of a market value of seventy-five thousand dollars (\$75,000).

9 (2) The director shall not accept any such deposit and issue a
10 certificate therefor and the office shall not accept the certificate unless
11 accompanied by evidence that there are no unsatisfied judgments of any
12 character against the depositor in the county where the depositor resides.

13
14 SECTION 8. Arkansas Code § 27-14-1005 is amended to read as follows:

15 27-14-1005. Failure to affix or display license plates, etc.

16 (a) The failure of the motor vehicle owner to affix and display:

17 (1) The permanent license plates;

18 (2) The tab or decal; or

19 (3) The registration card, in the places designated by the
20 Director of the Department of Finance and Administration, shall be a
21 misdemeanor subject to the penalties provided by § 27-14-301.

22 (b) At the time of a traffic stop, a law enforcement officer may
23 apprehend the operator of a motor vehicle and impound the
24 motor vehicle pursuant to § 27-50-1207 if:

25 (1) The motor vehicle is operated without displaying proof of
26 licensure by a proper license plate or otherwise;

27 (2) The operator of the motor vehicle is unable to furnish proof
28 of minimum motor vehicle liability insurance coverage under § 27-22-104; and

29 (3) A check with the Vehicle Insurance Database fails to show
30 proof of minimum motor vehicle liability insurance coverage under § 27-22-
31 104.

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33 SECTION 9. Arkansas Code § 23-89-211 is amended to read as follows:

34 23-89-211. Total loss settlements.

35 (a) If an insurer settles a claim for damages to an automobile as a
36 total loss to its own insured or a person having a claim against its insured,

1 the insurer shall include with the payment for the loss:

2 (1) All applicable taxes, including sales taxes and fees as
3 required under Rule and Regulation 43 of the State Insurance Department; and

4 (2) An itemized list stating the amount of the claim
5 attributable to the value of the automobile and attributable to the sales tax
6 on an automobile of that value.

7 (b) When settling a claim against an insured for damages to an
8 automobile as a total loss, the insurer will take into consideration all
9 applicable taxes, license fees, and other fees.

10 (c)(1) An insurer may not abandon salvage to a towing or storage
11 facility in lieu of payment of towing and storage fees without the consent of
12 the facility and the insured.

13 (2) If the settlement of a claim for a total loss of an
14 automobile includes payment for towing and storage charges that have not been
15 paid to the towing and storage firm, the insurer shall include the towing and
16 storage firm as an additional loss payee on the check in payment of the
17 claim.

18 (d) The failure of an insurer to comply with the requirements of
19 subsections (a)-(c) of this section shall be considered an unfair claims
20 settlement practice under § 23-66-206(13).

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22 /s/ Glidewell, et al
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