For An Act To Be Entitled

AN ACT TO PROHIBIT A TORTFEASOR’S INSURANCE CARRIER FROM CONDITIONING SETTLEMENT OF A JUDGMENT OR CLAIM UPON ISSUING A SINGLE CHECK JOINTLY TO THE INJURED PARTY AND THE INJURED PARTY’S INSURANCE CARRIER; AND FOR OTHER PURPOSES.

Subtitle

TO PROHIBIT A TORTFEASOR’S INSURANCE CARRIER FROM CONDITIONING SETTLEMENT OF A JUDGMENT OR CLAIM UPON ISSUING A SINGLE CHECK JOINTLY TO THE INJURED PARTY AND THE INJURED PARTY’S INSURANCE CARRIER.

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

SECTION 1. Arkansas Code § 23-89-207 is amended to read as follows:

23-89-207. Insurer’s right of reimbursement.

(a) Whenever a recipient of benefits under § 23-89-202(1) and (2) recovers in tort for injury, either by settlement or judgment, the insurer paying the benefits has a right of reimbursement and credit out of the tort recovery or settlement, less the cost of collection, as defined.

(b) All cost of collection thereof shall be assessed against the insurer and insured in the proportion each benefits from the recovery.

(c) The insurer shall have a lien upon the recovery to the extent of
its benefit payments.

(d)(1) The insurer for the party who is liable in damages to the injured party shall not condition settlement or payment of a judgment in favor of the injured party upon issuing a single check jointly to the injured party and the injured parties' insurance company.

/s/ Thyer

APPROVED: 2/24/2005