

Act 896 of the 1989 Regular Session.

Act 896

HB1937

By: Representative Hawkins

"AN ACT TO AMEND ARKANSAS CODE 27-19-713 RELATING TO COVERAGE UNDER MOTOR VEHICLE LIABILITY INSURANCE; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 27-19-713 is hereby amended by adding an additional subsection to read as follows:

"(1) Every motor vehicle liability insurance policy insuring a motor vehicle licensed in this state shall extend its liability coverage to include any other motor vehicle operated by the insured individual if the other motor vehicle is loaned as a temporary substitute, with or without compensation, to the insured individual for demonstration purposes or as a replacement vehicle while the insured's vehicle is out of use because of breakdown, repair, or servicing and if the other motor vehicle loaned by a person, firm, or corporation engaged in the business of selling, repairing, or servicing motor vehicles. Such extension of liability coverage is primary."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: March 22, 1989

---