

*As Engrossed: 1/29/91, 2/6/91*

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Senators Beebe and Harriman**

**A BILL ACT 532 OF 1991**  
**SENATE BILL 211**

5  
6  
7  
8 **For An Act To Be Entitled**

9 "AN ACT TO PROVIDE THAT PUNITIVE DAMAGES SHALL NOT BE  
10 AWARDED IN CIVIL ACTIONS THAT ARISE OUT OF CONTRACTS  
11 INVOLVING FINANCIAL INSTITUTIONS; AND FOR OTHER PURPOSES."

12  
13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

14  
15 *SECTION 1. (a) For the purposes of this Act, the term "financial*  
16 *institutions" means banks, savings and loan associations, and credit unions*  
17 *located within the State of Arkansas and which are insured by an agency of the*  
18 *federal government.*

19 *(b) This section shall be applicable in civil actions in*  
20 *which a claim is asserted against a financial institution, whether by*  
21 *complaint, counterclaim, third party complaint, or other pleading. If a claim*  
22 *asserted against a financial institution is determined by the court to be a*  
23 *breach of contract claim arising out of a loan of money or other extension of*  
24 *credit by the financial institution to the person asserting the claim, then,*  
25 *unless it is found that the person asserting the claim suffered personal*  
26 *injury or physical damage to property as a result of the financial*  
27 *institution's alleged action or inaction, punitive damages shall not be*  
28 *awarded to the person asserting the claim.*

29  
30 *SECTION 2. All provisions of this Act of a general and permanent nature*  
31 *are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code*  
32 *Revision Commission shall incorporate the same in the Code.*

33  
34 *SECTION 3. If any provision of this Act or the application thereof to*  
35 *any person or circumstance is held invalid, such invalidity shall not affect*  
36 *other provisions or applications of the Act which can be given effect without*

1 the invalid provision or application, and to this end the provisions of this  
2 Act are declared to be severable.

3

4 SECTION 4. All laws and parts of laws in conflict with this Act are  
5 hereby repealed.

6

7

8

*/s/Beebe, et al*

9

10

APPROVED: 3-13-91

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35