

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.
Act 373 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

A Bill

HOUSE BILL 2243

4
5 By: Representative Maloch
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For An Act To Be Entitled

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9 AN ACT TO ESTABLISH THE PRIORITY OF PRIMARY MOTOR
10 VEHICLE LIABILITY INSURANCE COVERAGE; AND FOR
11 OTHER PURPOSES.
12

Subtitle

13
14 TO ESTABLISH THE PRIORITY OF PRIMARY
15 MOTOR VEHICLE LIABILITY INSURANCE
16 COVERAGE.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 23, Chapter 79, Subchapter 1 is amended
22 to add an additional section to read as follows:

23 23-79-154. Priority of primary motor vehicle liability insurance
24 coverage.

25 The liability insurance policy covering a motor vehicle is primary when
26 the motor vehicle is driven by:

27 (1) An insured; or

28 (2) Any other person:

29 (A) Not excluded from coverage under the policy;

30 (B) With the permission of an insured; and

31 (C) When the use of the motor vehicle is within the scope
32 of the permission granted by an insured.
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34 SECTION 2. Arkansas Code § 27-19-713(1), concerning extensions of
35 motor vehicle insurance coverage, is amended to read as follows:



1 (1)(1) Extension of Coverage. Every motor vehicle liability insurance
2 policy, every motor vehicle physical damage insurance policy, every motor
3 vehicle uninsured and underinsured motorist insurance policy, and every motor
4 vehicle insurance policy covering death or bodily injury insuring a motor
5 vehicle licensed in this state or the occupants of the motor vehicle shall
6 extend its liability, physical damage, uninsured and underinsured motorist,
7 and death or bodily injury coverages to include any other motor vehicle,
8 operated by the insured individual, and its occupants if the other motor
9 vehicle is:

10 (A) ~~loaned~~ Loaned by a duly licensed automobile dealer as
11 a temporary substitute, with or without compensation, to the insured
12 individual for use as a temporary substitute vehicle while the insured's
13 vehicle is out of use because of breakdown, repair, or servicing;

14 (B) ~~or if the other motor vehicle is loaned~~ Loaned by a
15 duly licensed automobile dealer for use as a demonstrator vehicle; or

16 (C) Rented or leased from a rental company as defined in §
17 23-64-202 (d)(2)(C).

18 (2) ~~Provided, however, coverage shall extend to such loaned or~~
19 ~~demonstrator vehicle only to the extent of the coverage provided, if any, to~~
20 ~~the automobile being repaired or serviced. Such~~ The extensions of liability,
21 physical damage, uninsured and underinsured motorist, and death or bodily
22 injury coverages under this subsection are primary to any insurance or self-
23 insurance maintained by the duly licensed automobile dealer or rental
24 company.

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26 APPROVED: 3/19/2007
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