

Act 689 of the 1989 Regular Session.

Act 689

HB1546

By: Representative D. Roberts

"AN ACT TO AMEND ARKANSAS CODE 27-14-1501 PERTAINING TO LIABILITY INSURANCE REQUIREMENTS FOR TAXICAB OPERATORS; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Annotated 27-14-1501 is hereby amended to read as follows:

"27-14-1501. Liability insurance prerequisite to licensing.

(a) No license shall be issued for any taxicab, automobile, or similar vehicle used for hire, nor shall these vehicles be operated, or used in and upon the streets, roads, and highways of the state of Arkansas, within or without the corporate limits of any city or village, for the purpose of carrying passengers for hire unless there shall have been filed with the Director of the Department of Finance and Administration a liability contract of insurance, or certificates of insurance, issued to the owner of the vehicle, which shall be substantially in the form of the standard automobile liability insurance policy in customary use, to be approved by the director, and issued by an insurance company licensed to do business in the state of Arkansas.

(b) The policy shall secure payment, in accordance with the provisions thereof, to any person, except employees or joint venturers of the owner, for personal injuries to such persons and for any damage to property, except property owned by, rented to, leased to, in charge of, or transported by the owner, other than baggage of passengers, caused by the operation of a taxicab, etc. for the following amounts:

- (1) As respects injuries to persons, to the extent of twenty-five thousand dollars (\$25,000) for the injury or death of any one (1) person and subject to that limit for each person;
- (2) Fifty thousand dollars (\$50,000) for each accident; and
- (3) As respects damage to property, ten thousand dollars (\$10,000) for each accident.

(c) (1) In lieu of such policy of insurance, an owner may file a bond by some solvent surety company licensed to do business in this state or may file a bond by suitable collateral.

(2) The bond or collateral shall be in the form approved by the director and shall be conditioned for the payment of property damage and personal injuries, and shall be in an amount no less than fifty thousand dollars (\$50,000) for all claims for the operator's fleet and uninsured motorist coverage shall not be required of such operators. If the bond or collateral become insufficient because of claims or any other reason, the operator shall have seven days to restore it to the full amount or lose its bonded status.

(d) In lieu of such policy of insurance or bond, an owner may provide self-insurance as authorized under Ark. Code Ann. 27-19-107.

(e) (1) No policy of insurance may be cancelled by the licensee or by the insurance carrier unless written notice of the cancellation shall have been mailed to the director.

- (2) The written notice shall state the exact time and date of

cancellation to be not less than seven (7) days from the date of mailing.

(3) The mailing of notice shall be sufficient proof of notice, and the effective date of cancellation stated in the notice shall become the end of the policy period.

(f) Any individual or corporation engaged in the operation of a taxicab, etc., as a common carrier of passengers for hire who shall violate this section or who shall procure, aid, or abet any individual or corporation in violating this section shall, upon conviction, be guilty of a class B misdemeanor."

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.

SECTION 4. EMERGENCY. It is hereby found and determined by the General Assembly that this act is necessary to correct a possible misconstruction of the law and to insurance continued taxicab service in Arkansas since the cost of insurance is driving operators out of business. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 20, 1989
