

Hall of the House of Representatives
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of House Bill No. 2622

"TO INCREASE THE MINIMUM MOTOR VEHICLE LIABILITY INSURANCE
COVERAGE, TO AUTHORIZE THE IMPOUNDMENT OF MOTOR VEHICLES OPERATED
WITHOUT LICENSE AND REGISTRATION, AND TO PROVIDE PAYMENT FOR TOWING
AND SERVICE CHARGES."

Amendment No. 1 to House Bill No. 2622.

Amend House Bill No. 2622 as originally introduced:

Page 1, line 12, delete "ENFORECEMENT" and substitute "ENFORCEMENT"

AND

Delete SECTION 1 in its entirety and substitute the following:

"SECTION 1. Arkansas Code § 27-22-104(b), concerning minimum motor vehicle insurance coverage, is amended to read as follows:

(b) The policy shall provide as a minimum the following coverage:

(1) Not less than ~~twenty five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) for bodily injury or death of one (1) person in any one (1) accident;

(2) Not less than ~~fifty thousand dollars (\$50,000)~~ one hundred dollars (\$100,000) for bodily injury or death of two (2) or more persons in any one (1) accident; and

(3) If the accident has resulted in injury to or destruction of property, not less than twenty-five thousand dollars (\$25,000) for the injury to or destruction of property of others in any one (1) accident.

SECTION 2. Arkansas Code § 27-19-603(a), concerning security deposits for the failure to carry the minimum motor vehicle insurance coverage, is amended to read as follows:

(a)(1) Within thirty (30) days after an accident has occurred, and provided the accident has been reported to the Office of Driver Services within thirty (30) days, the office shall determine the amount of security which shall be deposited to satisfy any judgment for damages resulting from the accident as may be recovered against each driver or owner based on an amount equal to the minimum limits specified in § 27-19-605. The amount of security required to be deposited shall be:



(A) If the accident resulted in bodily injury or death to one (1) person, ~~twenty five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000);

(B) If the accident resulted in bodily injury or death to two (2) or more persons in any one (1) accident, ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000);

(C) If the accident resulted in the injury to or the destruction of property of others in any one (1) accident, twenty-five thousand dollars (\$25,000); or

(D) If the accident resulted in both bodily injury or death and in the destruction of property, a combination of the amounts specified in subdivisions (a)(1)(A)-(C) of this section.

(2) Determination shall not be made with respect to drivers or owners who are exempt under provisions of any other section of this chapter from the requirements as to security or suspension of motor vehicle registration and driving privilege.

SECTION 3. Arkansas Code § 27-19-605(a), concerning a bond or insurance policy in lieu of a security deposit for the failure to carry the minimum motor vehicle insurance coverage, is amended to read as follows:

(a) No policy or bond shall be effective under § 27-19-604 unless issued by an insurance company or surety company authorized to do business in this state except as provided in subsection (b) of this section, nor unless the policy or bond is subject, if the accident resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily injury or death of one (1) person in any one (1) accident and subject to said limit for one (1) person, to a limit of not less than ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily injury or death of two (2) or more persons in any one (1) accident, and if the accident has resulted in injury to or destruction of property, to a limit of not less than twenty-five thousand dollars (\$25,000) because of injury to or destruction of property of others in any one (1) accident.

SECTION 4. Arkansas Code § 27-19-701(1)(A), concerning proof of future financial responsibility for the failure to carry the minimum motor vehicle insurance coverage, is amended to read as follows:

(1)(A) "Proof of financial responsibility for the future" means proof of ability to respond in damages for liability, on account of accidents occurring subsequently to the effective date of said proof, arising out of the ownership, maintenance, or use of a vehicle of a type subject to registration under the laws of this state, in the amount of ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily injury to or death of one (1) person in any one (1) accident, and subject to said limit for one (1) person, in the amount of ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily injury to or death of two (2) or more persons in any one (1) accident, and in the amount of twenty-five thousand dollars (\$25,000) because of injury to or destruction of property of others in any one (1) accident;

SECTION 5. Arkansas Code § 27-19-709 is amended to read as follows:
27-19-709. Payments sufficient to satisfy judgments.

(a) Judgments shall, for the purpose of this chapter only, be deemed satisfied when:

(1) ~~Twenty five thousand dollars (\$25,000)~~ Fifty thousand dollars (\$50,000) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one (1) person as the result of any one (1) accident;

(2) Subject to a limit of twenty-five thousand dollars (\$25,000) because of bodily injury to or death of one (1) person, the sum of ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two (2) or more persons as the result of any one (1) accident; or

(3) Twenty-five thousand dollars (\$25,000) has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one (1) accident.

(b) Payments made in settlements of any claims because of bodily injury, death, or property damage arising from the accident shall be credited in reduction of the amounts provided for in this section.

SECTION 6. Arkansas Code § 27-19-713(b), concerning minimum motor vehicle insurance coverage, is amended to read as follows:

(b) Owner's Policy. The owner's policy of liability insurance shall:

(1) Designate by explicit description or by appropriate reference all vehicles with respect to which coverage is to be granted; and

(2) Insure the person named therein and any other person, as insured, using any vehicle or vehicles with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of the vehicle or vehicles within the United States or Canada, subject to limits exclusive of interest and costs, with respect to each vehicle, as follows: ~~twenty five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily injury to or death of one (1) person in any one (1) accident and, subject to said limit for one (1) person; ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily injury to or death of two (2) or more persons in any one (1) accident; and twenty-five thousand dollars (\$25,000) because of injury to or destruction of property of others in any one (1) accident.

SECTION 7. Arkansas Code § 27-19-717(a), concerning proof of financial responsibility in lieu of carrying the minimum motor vehicle insurance coverage, is amended to read as follows:

(a)(1) Proof of financial responsibility may be evidenced by the certificate of the Director of the Department of Finance and Administration acting in his or her capacity as Commissioner of Motor Vehicles after filing with the Office of Driver Services evidence that the person named therein has deposited with him or her ~~seventy five thousand dollars (\$75,000)~~ one hundred twenty-five thousand dollars (\$125,000) in cash or securities other than surety bonds that may be legally purchased by savings banks or for trust funds of a market value of seventy-five thousand dollars (\$75,000).

(2) The director shall not accept any such deposit and issue a certificate therefor and the office shall not accept the certificate unless

accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

SECTION 8. Arkansas Code § 27-14-1005 is amended to read as follows:
27-14-1005. Failure to affix or display license plates, etc.

(a) The failure of the motor vehicle owner to affix and display:

(1) The permanent license plates;

(2) The tab or decal; or

(3) The registration card, in the places designated by the Director of the Department of Finance and Administration, shall be a misdemeanor subject to the penalties provided by § 27-14-301.

(b) At the time of a traffic stop, a law enforcement officer may apprehend the operator of a motor vehicle and impound the motor vehicle pursuant to § 27-50-1207 if:

(1) The motor vehicle is operated without displaying proof of licensure by a proper license plate or otherwise;

(2) The operator of the motor vehicle is unable to furnish proof of minimum motor vehicle liability insurance coverage under § 27-22-104; and

(3) A check with the Vehicle Insurance Database fails to show proof of minimum motor vehicle liability insurance coverage under § 27-22-104.

SECTION 9. Arkansas Code § 23-89-211 is amended to read as follows:
23-89-211. Total loss settlements.

(a) If an insurer settles a claim for damages to an automobile as a total loss to its own insured or a person having a claim against its insured, the insurer shall include with the payment for the loss:

(1) All applicable taxes, including sales taxes and fees as required under Rule and Regulation 43 of the State Insurance Department; and

(2) An itemized list stating the amount of the claim attributable to the value of the automobile and attributable to the sales tax on an automobile of that value.

(b) When settling a claim against an insured for damages to an automobile as a total loss, the insurer will take into consideration all applicable taxes, license fees, and other fees.

(c)(1) An insurer may not abandon salvage to a towing or storage facility in lieu of payment of towing and storage fees without the consent of the facility and the insured.

(2) If the settlement of a claim for a total loss of an automobile includes payment for towing and storage charges that have not been paid to the towing and storage firm, the insurer shall include the towing and storage firm as an additional loss payee on the check in payment of the claim.

(d) The failure of an insurer to comply with the requirements of subsections (a)-(c) of this section shall be considered an unfair claims settlement practice under § 23-66-206(13).”

The Amendment was read _____
By: Representative Glidewell
DLP/SML - 03-12-2007 14:34
DLP391 _____ Chief Clerk