

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

As Engrossed: H2/12/99

# A Bill

Act 899 of 1999  
HOUSE BILL 1150

5 By: Representatives J. Jeffress, Angel  
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## For An Act To Be Entitled

9 "AN ACT TO REQUIRE INSURERS TO PROVIDE CERTAIN THIRD-  
10 PARTY LIABILITY COVERAGE TO AN INSURED UNLESS REJECTED  
11 IN WRITING; AND FOR OTHER PURPOSES."  
12  
13

## Subtitle

15 "TO REQUIRE INSURERS TO PROVIDE CERTAIN  
16 THIRD-PARTY LIABILITY COVERAGE TO AN  
17 INSURED UNLESS REJECTED IN WRITING."  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 23-89-403 is amended to read as follows:

22 "§ 23-89-403. Bodily injury coverage required.

23 (a)(1) No automobile liability insurance covering liability arising out  
24 of the ownership, maintenance, or use of any motor vehicle shall be delivered  
25 or issued for delivery in this state with respect to any motor vehicle  
26 registered or principally garaged in this state unless coverage is provided  
27 therein or supplemental thereto and is not less than limits described in § 27-  
28 19-605, under provisions filed with and approved by the Insurance  
29 Commissioner, for the protection of persons insured thereunder who are legally  
30 entitled to recover damages from owners or operators of uninsured motor  
31 vehicles because of bodily injury, sickness, or disease, including death,  
32 resulting therefrom.

33 (2) However, the coverage *required to be provided* under this  
34 section shall not be applicable where any insured named in the policy shall  
35 reject the coverage, and this rejection shall continue until withdrawn in  
36 writing by the insured.

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1           (3) Should a named insured or applicant purchase third-party  
2 liability coverage in greater limits than the minimum provided in § 27-19-605,  
3 the insurer shall have available, ~~upon written request of~~ and the agent shall  
4 offer a named insured or applicant, coverage required under this section in  
5 limits up to his or her third-party liability limits. No insurer shall be  
6 required to offer, provide, or make available coverage conforming to this  
7 section in connection with an excess policy, umbrella policy or any other  
8 policy which does not provide primary motor vehicle insurance for liabilities  
9 arising out of the ownership, maintenance or use of a specifically identified  
10 motor vehicle. An insured or applicant not desiring to purchase higher limits  
11 shall reject the increased limits in writing on the application for insurance  
12 coverage. Although agents must offer the increased limits to all new  
13 applicants for insurance on and after the passage of this act, the requirement  
14 for written rejection shall be applicable to new business written on and after  
15 1-1-2000. For existing business, insurers shall provide at the next two (2)  
16 renewals after the passage of this act notice that such increased limits are  
17 available. Where an existing named insured has coverage under this section  
18 less than their third-party liability limits, that coverage shall not change  
19 upon the effective date of this act unless a named insured requests, in  
20 writing to purchase the higher limits.

21           (b) After a named insured or applicant for insurance rejects this  
22 coverage, the insurer or any of its affiliates shall not be required to notify  
23 any insured in any renewal, reinstatement, substitute, amended, or replacement  
24 policy as to the availability of such coverage."  
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26           SECTION 2. All provisions of this Act of a general and permanent nature  
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
28 Revision Commission shall incorporate the same in the Code.  
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30           SECTION 3. If any provision of this Act or the application thereof to  
31 any person or circumstance is held invalid, such invalidity shall not affect  
32 other provisions or applications of the Act which can be given effect without  
33 the invalid provision or application, and to this end the provisions of this  
34 Act are declared to be severable.  
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36           SECTION 4. All laws and parts of laws in conflict with this Act are

1 hereby repeal ed.

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*/s/ J. Jeffress, et al*

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APPROVED: 3/29/1999

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