

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 1194 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

As Engrossed: H3/10/05

A Bill

HOUSE BILL 1781

4
5 By: Representatives Berry, Fite, George, Glidewell, Jackson, Key, Medley, Norton, Pace, S. Prater,
6 Rogers, Sullivan, Walters, Wyatt
7 By: Senator Altes

For An Act To Be Entitled

11 AN ACT TO PROHIBIT CANCELLATION OF INSURANCE,
12 PREMIUM INCREASES, AND NEGATIVE RISK RATINGS WHEN
13 AN INSURED IS NOT AT FAULT; AND FOR OTHER
14 PURPOSES.

Subtitle

17 TO PROHIBIT CANCELLATION OF INSURANCE,
18 PREMIUM INCREASES, AND NEGATIVE RISK
19 RATINGS WHEN AN INSURED IS NOT AT FAULT.

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

24 SECTION 1. Arkansas Code Title 23, Chapter 63, Subchapter 1, is
25 amended to add an additional section to read as follows:

26 23-63-111. Cancellation, increase in premium, and negative risk rating
27 prohibited when insured not at fault.

28 (a) Except as provided in subsection (c), when a person is innocent of
29 any negligent or intentional act that was the proximate cause of an accident
30 or injury whether or not a claim is filed under any policy or contract of
31 insurance, no insurer authorized to transact the business of motor vehicle
32 liability insurance in this state shall solely as a result of the accident or
33 injury:

34 (1) Cancel the person's insurance policy or contract;

35 (2) Increase the premium during the term or upon renewal of the



1 person's insurance policy or contract; or

2 (3) Lower or otherwise negatively impact the risk rating of the
3 person.

4 (b) Any insurer that violates the provisions of this section shall be
5 subject to the procedure and penalties provided under the Trade Practices
6 Act, § 23-66-201 et seq.

7 (c) Nothing in this section shall prevent an insurer from canceling,
8 not renewing, or revising the rating of an insurance policy if the insurer is
9 otherwise permitted to do so by statute or regulation.

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11 /s/ Berry, et al
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14 APPROVED: 3/24/2005
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