

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.

INTERIM STUDY PROPOSAL 2007-086

State of Arkansas

As Engrossed: H3/13/07

86th General Assembly

A Bill

Regular Session, 2007

HOUSE BILL 2622

By: Representatives Glidewell, Medley

By: Senator Altes

Referred to

Public Transportation- House

by the House of Representatives

on 03/28/2007

For An Act To Be Entitled

AN ACT TO INCREASE THE MINIMUM MOTOR VEHICLE LIABILITY INSURANCE COVERAGE; TO AUTHORIZE LAW ENFORCEMENT TO IMPOUND A MOTOR VEHICLE OPERATED WITHOUT A LICENSE OR REGISTRATION; TO PROVIDE FOR PAYMENT OF TOWING AND STORAGE CHARGES; AND FOR OTHER PURPOSES.

Subtitle

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.

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

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

1 thousand dollars (\$50,000) for bodily injury or death of one (1) person in
2 any one (1) accident;

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

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

9

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

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

20 (A) If the accident resulted in bodily injury or death to
21 one (1) person, ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars
22 (\$50,000);

23 (B) If the accident resulted in bodily injury or death to
24 two (2) or more persons in any one (1) accident, ~~fifty thousand dollars~~
25 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000);

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

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

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

36

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

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

17
18 SECTION 4. Arkansas Code § 27-19-701(1)(A), concerning proof of future
19 financial responsibility for the failure to carry the minimum motor vehicle
20 insurance coverage, is amended to read as follows:

21 (1)(A) "Proof of financial responsibility for the future" means proof
22 of ability to respond in damages for liability, on account of accidents
23 occurring subsequently to the effective date of said proof, arising out of
24 the ownership, maintenance, or use of a vehicle of a type subject to
25 registration under the laws of this state, in the amount of ~~twenty-five~~
26 ~~thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily
27 injury to or death of one (1) person in any one (1) accident, and subject to
28 said limit for one (1) person, in the amount of ~~fifty thousand dollars~~
29 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily injury to
30 or death of two (2) or more persons in any one (1) accident, and in the
31 amount of twenty-five thousand dollars (\$25,000) because of injury to or
32 destruction of property of others in any one (1) accident;

33
34 SECTION 5. Arkansas Code § 27-19-709 is amended to read as follows:

35 27-19-709. Payments sufficient to satisfy judgments.

36 (a) Judgments shall, for the purpose of this chapter only, be deemed

1 satisfied when:

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

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

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

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

19

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

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

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

25 (2) Insure the person named therein and any other person, as
26 insured, using any vehicle or vehicles with the express or implied permission
27 of the named insured, against loss from the liability imposed by law for
28 damages arising out of the ownership, maintenance, or use of the vehicle or
29 vehicles within the United States or Canada, subject to limits exclusive of
30 interest and costs, with respect to each vehicle, as follows: ~~twenty-five~~
31 ~~thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily
32 injury to or death of one (1) person in any one (1) accident and, subject to
33 said limit for one (1) person; ~~fi~~
34 ~~thousand dollars (\$50,000)~~ one hundred
35 thousand dollars (\$100,000) because of bodily injury to or death of two (2)
36 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

1 one (1) accident.

2

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

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

14 (2) The director shall not accept any such deposit and issue a
15 certificate therefor and the office shall not accept the certificate unless
16 accompanied by evidence that there are no unsatisfied judgments of any
17 character against the depositor in the county where the depositor resides.

18

19 SECTION 8. Arkansas Code § 27-14-1005 is amended to read as follows:
20 27-14-1005. Failure to affix or display license plates, etc.

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

22 (1) The permanent license plates;

23 (2) The tab or decal; or

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

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

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

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

34 (3) A check with the Vehicle Insurance Database fails to show
35 proof of minimum motor vehicle liability insurance coverage under § 27-22-
36 104.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

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).

/s/ Glidewell, et al

- 1
- 2
- 3
- 4
- 5