

INTERIM STUDY PROPOSAL 2019-047

1
2 State of Arkansas
3 92nd General Assembly
4 Regular Session, 2019

A Bill

SENATE BILL 566

5
6 By: Senator Rapert

7 Filed with: Senate Committee on Insurance and Commerce
8 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

9
10 AN ACT CONCERNING AN INSURER’S RIGHT TO SUBROGATION
11 AND REIMBURSEMENT FOR MEDICAL AND HOSPITAL BENEFITS;
12 AND FOR OTHER PURPOSES.

Subtitle

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15 CONCERNING AN INSURER’S RIGHT TO
16 SUBROGATION AND REIMBURSEMENT FOR MEDICAL
17 AND HOSPITAL BENEFITS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. Arkansas Code § 23-89-207 is amended to read as follows:
24 23-89-207. Insurer’s right of reimbursement.

25 (a)~~(1)~~ Whenever a recipient of benefits under § 23-89-202(1) ~~and (2)~~
26 recovers in tort for injury, either by settlement or judgment, the insurer
27 paying the benefits has a right of reimbursement and credit out of the tort
28 recovery or settlement, less the cost of collection, as defined.

29 ~~(b)(2) An insurer shall have a lien upon the recovery to the~~
30 ~~extent of the insurer’s benefit payments.~~

31 (3) If a recipient of benefits under § 23-89-202(1) does not
32 pursue recovery against a liable third party, an insurer shall have a right
33 of subrogation.

34 (4) All cost of collection thereof shall be assessed against the
35 insurer and insured in the proportion each benefits from the recovery.

1 ~~(c) The insurer shall have a lien upon the recovery to the extent of~~
2 ~~its benefit payments.~~

3 ~~(d)(5) The An~~ insurer for the party who is liable in damages to
4 the injured party shall not condition settlement or payment of a judgment in
5 favor of the injured party upon issuing a single check jointly to the injured
6 party and the injured party's insurance company.

7 (b) The common law doctrine that requires a party to be made whole
8 before an insurer is reimbursed or is able to subrogate does not apply to the
9 recovery of an insurer under this section.

10 (c) This chapter does not apply to, modify, or abrogate the rights and
11 obligations under the Workers' Compensation Law, § 11-9-101 et seq.

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14 Referred requested by the Arkansas Senate

15 Prepared by: ANS/VJF

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