

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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