

1 State of Arkansas  
2 80th General Assembly  
3 Regular Session, 1995  
4 By: Representative Young

# A Bill

HOUSE BILL 1562

## For An Act To Be Entitled

8 "AN ACT TO CLARIFY THE ARKANSAS CODE TO PROVIDE THAT WHEN  
9 AN INSURED REJECTS FIRST PARTY AUTOMOBILE COVERAGE OR  
10 UNINSURED MOTORISTS COVERAGE THE INSURER IS NOT THEREAFTER  
11 REQUIRED TO NOTIFY THE INSURED OF THE AVAILABILITY OF THE  
12 COVERAGE; AND FOR OTHER PURPOSES."

## Subtitle

15 "WHEN INSURED REJECTS FIRST PARTY AUTO  
16 COVERAGE OR UNINSURED MOTORISTS COVERAGE  
17 THE INSURER IS NOT THEREAFTER REQUIRED  
18 TO NOTIFY THE INSURED OF AVAILABILITY OF  
19 THE COVERAGE."

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

23 SECTION 1. Arkansas code 23-89-203 is amended to read as follows:

24 "§ 23-89-203. Rejection of coverage.

25 (a) The named insured shall have the right to reject in writing all or  
26 any one (1) or more of the coverages enumerated in § 23-89-202.

27 (b) After a named insured or applicant for insurance rejects this  
28 coverage, the insurer or any of its affiliates shall not be required to  
29 notify any insured in any renewal, reinstatement, substitute, amended, or  
30 replacement policy as to the availability of such coverage."

32 SECTION 2. Arkansas Code 23-89-403 is amended to read as follows:

33 "§ 23-89-403. Bodily injury coverage required.

34 (a) No automobile liability insurance covering liability arising out  
35 of the ownership, maintenance, or use of any motor vehicle shall be delivered

1 or issued for delivery in this state with respect to any motor vehicle  
2 registered or principally garaged in this state unless coverage is provided  
3 therein or supplemental thereto and is not less than limits described in §  
4 27-19-605, under provisions filed with and approved by the Insurance  
5 Commissioner, for the protection of persons insured thereunder who are  
6 legally entitled to recover damages from owners or operators of uninsured  
7 motor vehicles because of bodily injury, sickness, or disease, including  
8 death, resulting therefrom.

9 (b) After a named insured or applicant for insurance rejects this  
10 coverage, the insurer or any of its affiliates shall not be required to  
11 notify any insured in any renewal, reinstatement, substitute, amended, or  
12 replacement policy as to the availability of such coverage."

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14 SECTION 3. All provisions of this act of a general and permanent  
15 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
16 Code Revision Commission shall incorporate the same in the Code.

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18 SECTION 4. If any provision of this act or the application thereof to  
19 any person or circumstance is held invalid, such invalidity shall not affect  
20 other provisions or applications of the act which can be given effect without  
21 the invalid provision or application, and to this end the provisions of this  
22 act are declared to be severable.

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24 SECTION 5. All laws and parts of laws in conflict with this act are  
25 hereby repealed.

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27 SECTION 6. EMERGENCY. It is hereby found and determined by the  
28 General Assembly that the present insurance laws should be clarified to  
29 indicate that once an insured has rejected certain automobile insurance that  
30 the insurer should not be required thereafter to notify the *insured* of the  
31 availability of the rejected coverage at such time as the coverage not  
32 rejected is renewed, reinstated, substituted, amended, or replaced; that this  
33 act so provides; and this act should go into effect immediately in order to  
34 clarify the law as soon as possible. Therefore, an emergency is hereby  
35 declared to exist and this act being necessary for the immediate preservation

1 of the public peace, health and safety shall be in full force and effect from  
2 and after its passage and approval.

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*/s/Rep. Young*

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