

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 2131

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5 By: Representatives Kidd, Harris
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For An Act To Be Entitled

8
9 "AN ACT RELATING TO NOTIFICATION TO LIENHOLDERS OF
10 CHANGES IN POLICIES AND CONTRACTS OF VEHICLE CASUALTY
11 INSURANCE AND TO PAYMENT OF INSURANCE CLAIMS FOR
12 DAMAGES TO VEHICLES SUBJECT TO LIENS; AND FOR OTHER
13 PURPOSES. "
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Subtitle

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16 "NOTIFICATION TO LIENHOLDERS OF CHANGES
17 IN VEHICLE CASUALTY POLICIES AND
18 CONTRACTS AND TO PAYMENT OF INSURANCE
19 CLAIMS ON VEHICLES SUBJECT TO LIENS. "
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. All claims paid by an insurer authorized to do business in
25 this state to any person having a claim under any policy or contract of
26 vehicle casualty insurance as defined in 23-62-105 shall be paid by check or
27 draft of the insurer payable jointly to the order of the claimant and the
28 lienholder who holds a first lien of record against the vehicle of the insured
29 or claimant.
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31 SECTION 2. Every insurer paying a claim under any policy or contract of
32 vehicle casualty insurance shall mail or deliver the check or draft for
33 payment of the claim to the claimant or a lienholder within ten (10) working
34 days after all claim investigations are completed, the claim is processed and
35 the files are closed.
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1 SECTION 3. Every insurer issuing any policy or contract of vehicle
2 casualty insurance covering a risk in this state shall notify the holder of
3 any lien of record on the insured vehicle of any modification, cancellation or
4 expiration of the policy or contract. The notification shall be given in
5 writing and at least ten (10) days before the effective date of the proposed
6 modification, cancellation or expiration.

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8 SECTION 4. Any insurer which violates or fails to comply with the
9 provisions of this act shall pay to the Arkansas Department of Insurance a
10 penalty in the amount of four hundred dollars (\$400) for each such violation
11 or failure to comply.

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13 SECTION 5. All provisions of this act of a general and permanent nature
14 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
15 Revision Commission shall incorporate the same in the Code.

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17 SECTION 6. If any provision of this act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect
19 other provisions or applications of the act which can be given effect without
20 the invalid provision or application, and to this end the provisions of this
21 act are declared to be severable.

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23 SECTION 7. All laws and parts of laws in conflict with this act are
24 hereby repealed.