

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

# A Bill

SENATE BILL 288

4  
5 By: Senator Everett  
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7

## For An Act To Be Entitled

8  
9 "AN ACT TO AMEND ARKANSAS CODE § 27-22-104 TO INCREASE  
10 THE MINIMUM AMOUNTS OF COVERAGE REQUIRED FOR MANDATORY  
11 AUTOMOBILE INSURANCE; TO AMEND VARIOUS SECTIONS OF  
12 ARKANSAS CODE TITLE 27, CHAPTER 19, CONCERNING THE  
13 MOTOR VEHICLE SAFETY RESPONSIBILITY ACT, TO INCREASE  
14 THE MINIMUM FINANCIAL LIMITS REQUIRED FOR PROOF OF  
15 FINANCIAL RESPONSIBILITY AFTER A MOTOR VEHICLE  
16 ACCIDENT; AND FOR OTHER PURPOSES."

## Subtitle

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19 "TO INCREASE THE MINIMUM AMOUNTS OF  
20 COVERAGE REQUIRED FOR MANDATORY  
21 AUTOMOBILE INSURANCE AND TO PROVE  
22 FINANCIAL RESPONSIBILITY AFTER AN  
23 ACCIDENT."

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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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28 SECTION 1. Arkansas Code § 27-22-104(b), regarding the minimum amounts  
29 of coverage for mandatory automobile insurance, is amended to read as follows:

30 "(b) The policy shall provide, as a minimum, the following coverage:

31 (1) Not less than ~~twenty-five thousand dollars (\$25,000)~~ fifty  
32 thousand dollars (\$50,000) for bodily injury or death of one (1) person in any  
33 one (1) accident;

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

1           (3) If the accident has resulted in injury to or destruction of  
2 property, not less than ~~fifteen thousand dollars (\$15,000)~~ thirty thousand  
3 dollars (\$30,000) for the injury to or destruction of property of others in  
4 any one (1) accident."

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6           SECTION 2. Arkansas Code § 27-19-603(a)(1), regarding the amount of  
7 security required after a motor vehicle accident under the Motor Vehicle  
8 Safety Responsibility Law, is amended to read as follows:

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

16                   (A) If the accident resulted in bodily injury or death to  
17 one (1) person, ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars  
18 (\$50,000); or

19                   (B) If the accident resulted in bodily injury or death to  
20 two (2) or more persons in any one (1) accident, ~~fifty thousand dollars~~  
21 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000); or

22                   (C) If the accident resulted in the injury to or the  
23 destruction of property of others in any one (1) accident, ~~fifteen thousand~~  
24 ~~dollars (\$15,000)~~ thirty thousand dollars (\$30,000); or

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

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29           SECTION 3. Arkansas Code § 27-19-605(a), regarding the amount of  
30 insurance policy or security bond requirements under the Motor Vehicle Safety  
31 Responsibility Law, is amended to read as follows:

32           "(a) No policy or bond shall be effective under § 27-19-604 unless  
33 issued by an insurance company or surety company authorized to do business in  
34 this state, except as provided in subsection (b) of this section, nor unless  
35 the policy or bond is subject, if the accident resulted in bodily injury or  
36 death, to a limit, exclusive of interest and costs, of not less than ~~twenty-~~

1 ~~five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of  
 2 bodily injury or death of one (1) person in any one (1) accident and subject  
 3 to said limit for one (1) person, to a limit of not less than ~~fifty thousand~~  
 4 ~~dollars (\$50,000)~~ one hundred thousand dollars (\$100,000) because of bodily  
 5 injury or death of two (2) or more persons in any one (1) accident, and if the  
 6 accident has resulted in injury to or destruction of property, to a limit of  
 7 not less than ~~fifteen thousand dollars (\$15,000)~~ thirty thousand dollars  
 8 (\$30,000) because of injury to or destruction of property of others in any one  
 9 (1) accident."

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 11 SECTION 4. Arkansas Code § 27-19-701(1), regarding the definition of  
 12 'proof of financial responsibility for the future' under the Motor Vehicle  
 13 Safety Responsibility Law, is amended to read as follows:

14 "(1)(A) 'Proof of financial responsibility for the future' means  
 15 proof of ability to respond in damages for liability, on account of accidents  
 16 occurring subsequent to the effective date of said proof, arising out of the  
 17 ownership, maintenance, or use of a vehicle of a type subject to registration  
 18 under the laws of this state, in the amount of ~~twenty-five thousand dollars~~  
 19 ~~(\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily injury to or  
 20 death of one (1) person in any one (1) accident, and subject to said limit for  
 21 one (1) person, in the amount of ~~fifty thousand dollars (\$50,000)~~ one hundred  
 22 thousand dollars (\$100,000) because of bodily injury to or death of two (2) or  
 23 more persons in any one (1) accident, and in the amount of ~~fifteen thousand~~  
 24 ~~dollars (\$15,000)~~ thirty thousand dollars (\$30,000) because of injury to or  
 25 destruction of property of others in any one (1) accident;

26 (B) Wherever used in this subchapter, the terms 'proof of  
 27 financial responsibility' or 'proof' shall be synonymous with the term 'proof  
 28 of financial responsibility for the future'."

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

31 "27-19-709. Payments sufficient to satisfy judgments.

32 (a) Judgments shall, for the purpose of this chapter only, be deemed  
 33 satisfied when:

34 (1) ~~Twenty-five thousand dollars (\$25,000)~~ Fifty thousand dollars  
 35 (\$50,000) has been credited upon any judgment or judgments rendered in excess  
 36 of that amount because of bodily injury to or death of one (1) person as the

1 result of any one (1) accident; or

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

8 (3) ~~Fifteen thousand dollars (\$15,000)~~ Thirty thousand dollars  
 9 (\$30,000) has been credited upon any judgment or judgments rendered in excess  
 10 of that amount because of injury to or destruction of property of others as a  
 11 result of any one (1) accident.

12 (b) Payments made in settlements of any claims because of bodily  
 13 injury, death, or property damage arising from the accident shall be credited  
 14 in reduction of the amounts provided for in this section."  
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16 SECTION 6. Arkansas Code § 27-19-713(b), regarding the terms of the  
 17 insurance policy for proof of financial responsibility under the Motor Vehicle  
 18 Safety Responsibility Law, is amended to read as follows:

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

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

22 (2) Insure the person named therein and any other person, as  
 23 insured, using any vehicle or vehicles with the express or implied permission  
 24 of the named insured, against loss from the liability imposed by law for  
 25 damages arising out of the ownership, maintenance, or use of the vehicle or  
 26 vehicles within the United States or Canada, subject to limits exclusive of  
 27 interest and costs, with respect to each vehicle, as follows: ~~twenty-five~~  
 28 ~~thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) because of bodily  
 29 injury to or death of one (1) person in any one (1) accident and, subject to  
 30 said limit for one (1) person; ~~fifty thousand dollars (\$50,000)~~ one hundred  
 31 thousand dollars (\$100,000) because of bodily injury to or death of two (2) or  
 32 more persons in any one (1) accident; and ~~fifteen thousand dollars (\$15,000)~~  
 33 thirty thousand dollars (\$30,000) because of injury to or destruction of  
 34 property of others in any one (1) accident."  
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36 SECTION 7. Arkansas Code § 27-19-717(a), regarding the deposit of

1 security as alternative to insurance under the Motor Vehicle Safety  
2 Responsibility law, is amended to read as follows:

3 "(a)(1) Proof of financial responsibility may be evidenced by the  
4 certificate of the Insurance Commissioner that the person named therein has  
5 deposited with him ~~sixty-five thousand dollars (\$65,000)~~ one hundred and  
6 thirty thousand dollars (\$130,000) in cash or securities such as may be  
7 legally purchased by savings banks or for trust funds of a market value of  
8 ~~sixty-five thousand dollars (\$65,000)~~ one hundred and thirty thousand dollars  
9 (\$130,000).

10 (2) The commissioner shall not accept any such deposit and issue  
11 a certificate therefor and the office shall not accept the certificate unless  
12 accompanied by evidence that there are no unsatisfied judgments of any  
13 character against the depositor in the county where the depositor resides."  
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15 SECTION 8. All provisions of this act of a general and permanent nature  
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
17 Revision Commission shall incorporate the same in the Code.  
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19 SECTION 9. If any provision of this act or the application thereof to  
20 any person or circumstance is held invalid, such invalidity shall not affect  
21 other provisions or applications of the act which can be given effect without  
22 the invalid provision or application, and to this end the provisions of this  
23 act are declared to be severable.  
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25 SECTION 10. All laws and parts of laws in conflict with this act are  
26 hereby repealed.  
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