

State of Arkansas

As Engrossed: S3/23/99 H4/1/99

82nd General Assembly

A Bill

Regular Session, 1999

SENATE BILL 385

By: Senators Webb, *Everett, Gordon, Dowd, Beebe, Harriman*

For An Act To Be Entitled

"AN ACT TO AMEND VARIOUS PROVISIONS OF THE MOTOR
VEHICLE SAFETY RESPONSIBILITY ACT AND TO AMEND ARK.
CODE ANN. 27-22-104 IN ORDER TO RAISE THE MINIMUM
LIMITS OF PROOF OF FINANCIAL RESPONSIBILITY TO OPERATE
A MOTOR VEHICLE AND TO RAISE THE MINIMUM LIMITS FOR
MOTOR VEHICLE LIABILITY INSURANCE; AND FOR OTHER
PURPOSES. "

Subtitle

"TO RAISE THE MINIMUM LIMITS OF PROOF OF
FINANCIAL RESPONSIBILITY TO OPERATE A
MOTOR VEHICLE AND TO RAISE THE MINIMUM
LIMITS FOR MOTOR VEHICLE LIABILITY
INSURANCE. "

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

SECTION 1. Ark. Code Ann. 27-19-603(a)(1) is amended to read as
follows:

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

(A) If the accident resulted in bodily injury or death to

1 one (1) person, *twenty-five thousand dollars (\$25,000)*; or

2 (B) If the accident resulted in bodily injury or death to
3 two (2) or more persons in any one (1) accident, *fifty thousand dollars*
4 *(\$50,000)*; or

5 (C) If the accident resulted in the injury to or the
6 destruction of property of others in any one (1) accident, ~~*fifteen thousand*~~
7 ~~*dollars (\$15,000)*~~ *twenty-five thousand dollars (\$25,000)*; or

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

11
12 SECTION 2. Ark. Code Ann. 27-19-605(a) is amended to read as follows:

13 "(a) No policy or bond shall be effective under § 27-19-604 unless
14 issued by an insurance company or surety company authorized to do business in
15 this state, except as provided in subsection (b) of this section, nor unless
16 the policy or bond is subject, if the accident resulted in bodily injury or
17 death, to a limit, exclusive of interest and costs, of not less than *twenty-*
18 *five thousand dollars (\$25,000)* because of bodily injury or death of one (1)
19 person in any one (1) accident and subject to said limit for one (1) person,
20 to a limit of not less than *fifty thousand dollars (\$50,000)* because of bodily
21 injury or death of two (2) or more persons in any one (1) accident, and if the
22 accident has resulted in injury to or destruction of property, to a limit of
23 not less than ~~*fifteen thousand dollars (\$15,000)*~~ *twenty-five thousand dollars*
24 *(\$25,000)* because of injury to or destruction of property of others in any one
25 (1) accident."

26
27 SECTION 3. Ark. Code Ann. 27-19-701(1) is amended to read as follows:

28 "(1)(A) 'Proof of financial responsibility for the future' means proof
29 of ability to respond in damages for liability, on account of accidents
30 occurring subsequent to the effective date of said proof, arising out of the
31 ownership, maintenance, or use of a vehicle of a type subject to registration
32 under the laws of this state, in the amount of *twenty-five thousand dollars*
33 *(\$25,000)* because of bodily injury to or death of one (1) person in any one
34 (1) accident, and subject to said limit for one (1) person, in the amount of
35 *fifty thousand dollars (\$50,000)* because of bodily injury to or death of two
36 (2) or more persons in any one (1) accident, and in the amount of ~~*fifteen*~~

1 ~~thousand dollars (\$15,000)~~ twenty-five thousand dollars (\$25,000) because of
2 injury to or destruction of property of others in any one (1) accident;

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

6
7 SECTION 4. Ark. Code Ann. 27-19-709(a) is amended to read as follows:

8 "(a) Judgments shall, for the purpose of this chapter only, be deemed
9 satisfied when:

10 (1) *Twenty-five thousand dollars (\$25,000)* has been credited upon
11 any judgment or judgments rendered in excess of that amount because of bodily
12 injury to or death of one (1) person as the result of any one (1) accident; or
13

14 (2) Subject to a limit of *twenty-five thousand dollars (\$25,000)*
15 because of bodily injury to or death of one (1) person, the sum of *fifty*
16 *thousand dollars (\$50,000)* has been credited upon any judgment or judgments
17 rendered in excess of that amount because of bodily injury to or death of two
18 (2) or more persons as the result of any one (1) accident; or

19 (3) ~~Fifteen thousand dollars (\$15,000)~~ *Twenty-five thousand*
20 *dollars (\$25,000)* has been credited upon any judgment or judgments rendered in
21 excess of that amount because of injury to or destruction of property of
22 others as a result of any one (1) accident."
23

24 SECTION 5. Ark. Code Ann. 27-19-713(b) is amended to read as follows:

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

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

28 (2) Insure the person named therein and any other person, as
29 insured, using any vehicle or vehicles with the express or implied permission
30 of the named insured, against loss from the liability imposed by law for
31 damages arising out of the ownership, maintenance, or use of the vehicle or
32 vehicles within the United States or Canada, subject to limits exclusive of
33 interest and costs, with respect to each vehicle, as follows: *twenty-five*
34 *thousand dollars (\$25,000)* because of bodily injury to or death of one (1)
35 person in any one (1) accident and, subject to said limit for one (1) person;
36 *fifty thousand dollars (\$50,000)* because of bodily injury to or death of two

1 (2) or more persons in any one (1) accident; and ~~fifteen thousand dollars~~
2 ~~(\$15,000)~~ twenty-five thousand dollars (\$25,000) because of injury to or
3 destruction of property of others in any one (1) accident."
4

5 SECTION 6. Ark. Code Ann. 27-22-104(b) is amended to read as follows:

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

7 (1) Not less than *twenty-five thousand dollars (\$25,000)* for
8 bodily injury or death of one (1) person in any one (1) accident;

9 (2) Not less than *fifty thousand dollars (\$50,000)* for bodily
10 injury or death of two (2) or more persons in any one (1) accident; and

11 (3) If the accident has resulted in injury to or destruction of
12 property, not less than ~~fifteen thousand dollars (\$15,000)~~ twenty-five
13 thousand dollars (\$25,000) for the injury to or destruction of property of
14 others in any one (1) accident."
15

16 SECTION 7. All provisions of this act of a general and permanent nature
17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
18 Revision Commission shall incorporate the same in the Code.
19

20 SECTION 8. If any provision of this act or the application thereof to
21 any person or circumstance is held invalid, such invalidity shall not affect
22 other provisions or applications of the act which can be given effect without
23 the invalid provision or application, and to this end the provisions of this
24 act are declared to be severable.
25

26 SECTION 9. All laws and parts of laws in conflict with this act are
27 hereby repealed.

28 /s/ Webb, et al
29
30
31
32
33
34
35
36