

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001

# A Bill

HOUSE BILL 2211

4  
5 By: Representatives W. Walker, Agee, J. Elliott, Green, C. Johnson, Ledbetter

## For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS CODE  
10 TO REQUIRE AUTOMOBILE LIABILITY POLICIES TO DISPLAY  
11 THE ACTUAL POLICY TERM OF INSURANCE COVERAGE PAID FOR  
12 BY THE INSURED; AND FOR OTHER PURPOSES.

## Subtitle

15 AN ACT TO AMEND VARIOUS SECTIONS OF THE  
16 ARKANSAS CODE TO REQUIRE AUTOMOBILE  
17 LIABILITY POLICIES TO DISPLAY THE ACTUAL  
18 POLICY TERM OF INSURANCE COVERAGE PAID  
19 FOR BY THE INSURED.

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

24 SECTION 1. Arkansas Code 23-79-109(f), concerning the policy term for  
25 automobile liability insurance, is amended to read as follows:

26 (f) (1) No policy or contract form providing coverage for personal  
27 automobile liability which provides for a policy term of less than six (6)  
28 months for policy holders who have been in good standing with the insurer for  
29 at least two (2) consecutive years, shall be approved by the commissioner or  
30 issued for delivery in this state and used by insurers on and after January  
31 1, 2002; ~~provided, however, the provisions of this subsection shall not~~  
32 ~~restrict premium payment options offered by insurers.~~

33 (2) No policy or contract form providing coverage for personal  
34 automobile liability which provides for a policy term which exceeds the  
35 actual policy term of insurance coverage paid for by the insured and covered  
36 by the premium payment option selected by the insured for policy holders with

1 the insured for less than two (2) years shall be approved by the commissioner  
2 or issued for delivery in this state and used by insurers on and after  
3 January 1, 2002.

4 (3) The provisions of this subsection (f) shall not restrict premium  
5 payment options offered by insurers.

7 SECTION 2. Arkansas Code 23-89-301(6), concerning definitions relating  
8 to automobile liability insurance, is amended to read as follows:

9 (6) "Renewal" or "to renew" means the issuance and delivery by  
10 an insurer of a policy replacing at the end of the policy period a policy  
11 previously issued and delivered by the same insurer or the issuance and  
12 delivery of a certificate or notice extending the term of a policy beyond its  
13 policy period or term. ~~However, for the purpose of this subchapter, any~~  
14 ~~policy with a policy period or term of less than six (6) months shall be~~  
15 ~~considered as if written for a policy period or term of six (6) months.~~ For  
16 the purposes of this subchapter, any policy written for a term longer than  
17 one (1) year or any policy with no fixed expiration date shall be considered  
18 as if written for successive policy periods or terms of one (1) year, and the  
19 policy may be terminated at the expiration of any annual period upon giving  
20 twenty (20) days' notice of cancellation prior to the anniversary date. This  
21 cancellation shall not be subject to any other provisions of this subchapter.

23 SECTION 3. Arkansas Code 27-22-103(a) and (b), concerning penalties  
24 for operating a motor vehicle without the required insurance coverage, are  
25 amended to read as follows:

26 (a) Except as provided in subsection (b) of this section, any person  
27 who operates a motor vehicle within this state shall be subject to a  
28 mandatory fine of not less than ~~fifty dollars (\$50.00)~~ one hundred dollars  
29 (\$100) nor more than ~~two hundred fifty dollars (\$250)~~ three hundred dollars  
30 (\$300) unless the vehicle is covered by a certificate of self-insurance or an  
31 insurance policy as required under § 27-22-104(a)(1).

32 (b)(1) Any person who operates a motor vehicle in violation of § 27-  
33 22-104(a)(1) shall be fined not less than ~~two hundred fifty dollars (\$250)~~  
34 three hundred dollars (\$300) nor more than five hundred dollars (\$500) for  
35 the second offense, and the minimum fine shall be mandatory.

36 (2) Any person who operates a motor vehicle in violation of §

1 27-22-104(a)(1) shall be fined ~~not less than~~ five hundred dollars (\$500) ~~or~~  
2 ~~more than one thousand dollars (\$1,000) or~~ and may be sentenced to jail for a  
3 maximum of one (1) year ~~in jail, or both,~~ for the third offense or for any  
4 subsequent offenses.

5 (3) Upon a showing that liability coverage required by §§ 27-22-  
6 101 - 27-22-104 was in effect at the time of arrest, the judge ~~may~~ shall  
7 dismiss the charge imposed under this act, and the penalties therefore shall  
8 not be imposed.

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10 SECTION 4. Arkansas Code 27-22-104(a)(1), concerning minimum insurance  
11 coverage on motor vehicles, is amended to read as follows:

12 (a)(1) It shall be unlawful for any person to operate a motor vehicle  
13 within this state unless the vehicle is covered by a certificate of self-  
14 insurance under the provisions of § 27-19-107, or by an insurance policy  
15 issued by an insurance company authorized to do business in this state in  
16 conformance with § 23-79-109(f).

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