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 | As Engrossed: H3/10/05 | | |
|----|--|------------------------------------|----------------------|--|
| 2 | 85th General Assembly | A Bill | | |
| 3 | Regular Session, 2005 | | HOUSE BILL 1781 | |
| 4 | | | | |
| 5 | By: Representatives Berry, Fite, George, Glidewell, Jackson, Key, Medley, Norton, Pace, S. Prater, | | | |
| 6 | Rogers, Sullivan, Walters, Wyatt | | | |
| 7 | By: Senator Altes | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | For An Act To Be Entitled | | | |
| 11 | AN ACT TO F | PROHIBIT CANCELLATION OF INSURANC | Ε, | |
| 12 | PREMIUM INC | CREASES, AND NEGATIVE RISK RATING | S WHEN | |
| 13 | AN INSURED | IS NOT AT FAULT; AND FOR OTHER | | |
| 14 | PURPOSES. | | | |
| 15 | | | | |
| 16 | | Subtitle | | |
| 17 | TO PROHI | IBIT CANCELLATION OF INSURANCE, | | |
| 18 | PREMIUM | INCREASES, AND NEGATIVE RISK | | |
| 19 | RATINGS | WHEN AN INSURED IS NOT AT FAULT. | | |
| 20 | | | | |
| 21 | | | | |
| 22 | BE IT ENACTED BY THE GENE | RAL ASSEMBLY OF THE STATE OF ARKA | ANSAS: | |
| 23 | | | | |
| 24 | SECTION 1. Arkansa | s Code Title 23, Chapter 63, Subo | chapter l, is | |
| 25 | amended to add an additio | onal section to read as follows: | | |
| 26 | 23-63-111. Cancell | ation, increase in premium, and m | negative risk rating | |
| 27 | prohibited when insured n | ot at fault. | | |
| 28 | (a) Except as prov | rided in subsection (c), when a pe | erson is innocent of | |
| 29 | any negligent or intentio | onal act that was the proximate ca | ause of an accident | |
| 30 | or injury whether or not | a claim is filed under any policy | y or contract of | |
| 31 | insurance, no insurer aut | thorized to transact the business | of motor vehicle | |
| 32 | liability insurance in th | nis state shall solely as a result | t of the accident or | |
| 33 | <u>injury:</u> | | | |
| 34 | (1) Cancel t | he person's insurance policy or o | contract; | |
| 35 | (2) Increase | the premium during the term or u | upon renewal of the | |
| 36 | person's insurance policy | or contract; or | | |

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| 1 | (3) Lower or otherwise negatively impact the risk rating of the | | |
|---------------------------------|---|--|--|
| 2 | person. | | |
| 3 | (b) Any insurer that violates the provisions of this section shall be | | |
| 4 | subject to the procedure and penalties provided under the Trade Practices | | |
| 5 | Act, § 23-66-201 et seq. | | |
| 6 | (c) Nothing in this section shall prevent an insurer from canceling, | | |
| 7 | not renewing, or revising the rating of an insurance policy if the insurer is | | |
| 8 | otherwise permitted to do so by statute or regulation. | | |
| 9 | | | |
| 10 | /s/ Berry, et al | | |
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