

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 86th General Assembly  
3 Regular Session, 2007  
4

# A Bill

HOUSE BILL 2243

5 By: Representative Maloch  
6  
7

## For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE PRIORITY OF PRIMARY MOTOR  
10 VEHICLE LIABILITY INSURANCE COVERAGE; AND FOR  
11 OTHER PURPOSES.  
12

### Subtitle

14 TO ESTABLISH THE PRIORITY OF PRIMARY  
15 MOTOR VEHICLE LIABILITY INSURANCE  
16 COVERAGE.  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code Title 23, Chapter 79, Subchapter 1 is amended  
22 to add an additional section to read as follows:

23 23-79-154. Priority of primary motor vehicle liability insurance  
24 coverage.

25 The liability insurance policy covering a motor vehicle is primary when  
26 the motor vehicle is driven by:

27 (1) An insured; or

28 (2) Any other person:

29 (A) Not excluded from coverage under the policy;

30 (B) With the permission of an insured; and

31 (C) When the use of the motor vehicle is within the scope  
32 of the permission granted by an insured.  
33

34 SECTION 2. Arkansas Code § 27-19-713(1), concerning extensions of  
35 motor vehicle insurance coverage, is amended to read as follows:

36 (1)(1) Extension of Coverage. Every motor vehicle liability insurance



1 policy, every motor vehicle physical damage insurance policy, every motor  
2 vehicle uninsured and underinsured motorist insurance policy, and every motor  
3 vehicle insurance policy covering death or bodily injury insuring a motor  
4 vehicle licensed in this state or the occupants of the motor vehicle shall  
5 extend its liability, physical damage, uninsured and underinsured motorist,  
6 and death or bodily injury coverages to include any other motor vehicle,  
7 operated by the insured individual, and its occupants if the other motor  
8 vehicle is:

9 (A) ~~loaned~~ Loaned by a duly licensed automobile dealer as  
10 a temporary substitute, with or without compensation, to the insured  
11 individual for use as a temporary substitute vehicle while the insured's  
12 vehicle is out of use because of breakdown, repair, or servicing;

13 (B) ~~or if the other motor vehicle is loaned~~ Loaned by a  
14 duly licensed automobile dealer for use as a demonstrator vehicle; or

15 (C) Rented or leased from a rental company as defined in §  
16 23-64-202 (d)(2)(C).

17 (2) ~~Provided, however, coverage shall extend to such loaned or~~  
18 ~~demonstrator vehicle only to the extent of the coverage provided, if any, to~~  
19 ~~the automobile being repaired or serviced. Such~~ The extensions of liability,  
20 physical damage, uninsured and underinsured motorist, and death or bodily  
21 injury coverages under this subsection are primary to any insurance or self-  
22 insurance maintained by the duly licensed automobile dealer or rental  
23 company.