

State of Arkansas As Engrossed: H1/27/25 H1/30/25 S3/10/25

95th General Assembly

## A Bill

Regular Session, 2025

HOUSE BILL 1193

By: Representative Cavanaugh

By: Senator B. Johnson

### For An Act To Be Entitled

AN ACT TO REQUIRE AN INSURER TO INCLUDE A LIENHOLDER  
ON PAYMENTS MADE UNDER AN INSURANCE POLICY; AND FOR  
OTHER PURPOSES.

### Subtitle

TO REQUIRE AN INSURER TO INCLUDE A  
LIENHOLDER ON PAYMENTS MADE UNDER AN  
INSURANCE POLICY.

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

SECTION 1. Arkansas Code Title 23, Chapter 89, Subchapter 2, is  
amended to add an additional section to read as follows:

23-89-218. Lienholder included on payment of insurance proceeds.

(a) If an insured or third-party claimant makes a demand or files a  
claim for damages to a motor vehicle, either with an insurer or in a court of  
law, and there is a perfected lienholder for an automobile loan on the motor  
vehicle, the motor vehicle liability insurer shall tender payment in the name  
of the insured or third-party claimant and the lienholder.

(b) This section does not apply to a lienholder that:

(1) Does not have a physical location in the state; or

(2) Has a physical location in the state, but:

(A) The claim for damages to a motor vehicle is less than  
two thousand five hundred dollars (\$2,500); or

(B) The payment is made directly to a repair facility for  
the amount of the repairs.



*/s/Cavanaugh*

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