



**State of Arkansas  
Department of Finance and Administration  
Fiscal Impact Statement**

**Bill: SB276**

**Bill Subtitle: TO AMEND THE LAW CONCERNING SURPLUS LINES INSURANCE; AND TO CLARIFY THAT SURPLUS LINES INSURANCE IS ACCEPTABLE COVERAGE FOR FINANCIAL RESPONSIBILITY OF MOTOR VEHICLE INSURANCE COVERAGE.**

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**Sponsors:**

**Sen. B. Johnson and Rep. Steimel**

**Basic Change:**

SB276 allows a vehicle owner or operator in the state to demonstrate proof of insurance through a policy issued by an insurance company that is not licensed or authorized to do business in the state.

The owner or operator of a motor vehicle is required by law to demonstrate financial responsibility in the case of an accident. The minimum financial responsibility limits are:

- \$25,000 because of bodily injury or death of one person in an accident;
- \$50,000 because of bodily injury or death of two persons in an accident; and
- \$25,000 because of injury or destruction of property in an accident.

Financial responsibility may be demonstrated through an insurance policy or certificate of insurance issued by an insurance company licensed or authorized to do business in the state. SB276 expands current law to allow a vehicle owner or operator to also demonstrate financial responsibility through an insurance policy or certificate of insurance issued by an insurance company that is eligible to do business in the state.

**Fiscal Impact:**

None.

**Taxpayer Impact:**

A vehicle owner or operator in the state may demonstrate proof of insurance through a policy issued by an insurance company that is eligible to do business in the state.

**Resources Required:**

None.

**Time Required:**

Adequate time is provided for implementation.

**Procedural Changes:**

Training and review sessions will be conducted for State Revenue Office, Office of Driver Services, and Office of Motor Vehicle (DSMV) staff.



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**Other Comments:**

None.

**Legal Analysis:**

None.