

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1729

By: Representative Jones

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 27-14-1501 TO ALLOW TAXICABS  
AND SIMILAR VEHICLES TO SELF-INSURE; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas 27-14-1501 is hereby amended to read as follows:

27-14-1501. Liability insurance prerequisite to licensing.

(a) No license shall be issued for any taxicab, automobile, or similar vehicle used for hire, nor shall these vehicles be operated, or used in and upon the streets, roads, and highways of the State of Arkansas, within or without the corporate limits of any city or village, for the purpose of carrying passengers for hire; unless there shall have been filed with the Director of the Department of Finance and Administration a liability contract of insurance, or certificates of insurance, issued to the owner of the vehicle, which shall be substantially in the form of the standard automobile liability insurance policy in customary use, to be approved by the director, and issued by an insurance company licensed to do business in the State of Arkansas.

(b) The policy shall secure payment, in accordance with the provisions thereof, to any person, except employees of the owner, for personal injuries to such persons and for any damage to property, except property owned by, rented to, leased to, in charge of, or transported by the owner, other than baggage of passengers, caused by the operation of a taxicab, etc. for the following amounts:

- (1) As respects injuries to persons, to the extent of twenty-five thousand dollars (\$25,000) for the injury or death of any one (1) person and subject to that limit for each person;
- (2) Fifty thousand dollars (\$50,000) for each accident; and
- (3) As respects damage to property, ten thousand dollars (\$10,000)

for each accident.

(c) (1) In lieu of such policy of insurance, an owner may file a bond to be signed by some solvent surety company licensed to do business in this state.

(2) The bond shall be in the form approved by the director shall be conditioned for the payment of property damage and personal injuries, and shall be in an amount no less than fifty thousand dollars (\$50,000).

(d) In lieu of such policy of insurance, an owner may provide self-insurance as authorized under Arkansas Code 27-19-107.

(e) (1) No policy of insurance may be cancelled by the licensee or by the insurance carrier unless written notice of the cancellation shall have been mailed to the director.

(2) The written notice shall state the exact time and date of cancellation to be not less than seven (7) days from the date of mailing.

(3) The mailing of notice shall be sufficient proof of notice, and the effective date of cancellation stated in the notice shall become the end of the policy period.

(f) Any individual or corporation engaged in the operation of a taxicab, etc., as a common carrier of passengers for hire who shall violate this section or who shall procure, aid, or abet any individual or corporation in violating this section shall, upon conviction, be fined in a sum not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or shall be imprisoned in the county jail not less than thirty (30) days nor more than six (6) months, or may be punished by both fine and imprisonment.

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.