

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**

# **A Bill**

**SENATE BILL 789**

4 **By: Senators Gordon, Dowd, Beebe, Hardin and Bell**

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## **For An Act To Be Entitled**

8

*"AN ACT TO LIMIT RECOVERY OF HEALTH AND DISABILITY  
9 INSURERS; AND FOR OTHER PURPOSES."*

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11

## **Subtitle**

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*"AN ACT TO LIMIT RECOVERY OF HEALTH AND DISABILITY  
13 INSURERS."*

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

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17 *SECTION 1. Any health insurer, health maintenance organization, self*  
18 *funded group, multiple employer welfare arrangement, or hospital or medical*  
19 *services corporation that issues, delivers or renews a contract of health or*  
20 *disability insurance, or individual or group health care coverage containing a*  
21 *provision for subrogation for any benefits or services of any kind furnished*  
22 *to an insured, or for payments made or credit extended to or on behalf of any*  
23 *covered person for a physical condition or injury caused by a third party or*  
24 *for which a third party may be liable, shall be entitled to receive*  
25 *subrogation benefits from such third party. In no event shall such*  
26 *subrogation benefits exceed the lesser of: (1) the amount paid pursuant to*  
27 *the contract by the health insurer, health maintenance organization, self*  
28 *funded group, multiple employer welfare arrangement or hospital or medical*  
29 *services corporation; or (2) fifty percent (50%) of the gross aggregate amount*  
30 *recovered from all such third parties by the insured or covered person.*

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32 *SECTION 2. In the event more than one (1) health insurer, health*  
33 *maintenance organization, self funded group, multiple employer welfare*  
34 *arrangement, or hospital or medical services corporation having contractual*  
35 *subrogation rights are entitled to the subrogation benefits specified in*

1 Section 1, such benefits will be apportioned according to the amounts the  
2 health insurer, health maintenance organization, self funded group, multiple  
3 welfare arrangement, or hospital or medical services corporation paid to the  
4 insured or covered person.

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6 SECTION 3. All provisions of this act of a general and permanent nature  
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
8 Revision Commission shall incorporate the same in the Code.

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10 SECTION 4. If any provision of this act or the application thereof to  
11 any person or circumstance is held invalid, such invalidity shall not affect  
12 other provisions or applications of the act which can be given effect without  
13 the invalid provision or application, and to this end the provisions of this  
14 act are declared to be severable.

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16 SECTION 5. All laws and parts of laws in conflict with this act are  
17 hereby repealed.

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19 SECTION 6. The provisions of this act shall not diminish or be in  
20 derogation of any rights or remedies at law or in equity available prior to  
21 the enactment of this act.

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24 /s/ Senators Gordon et al.

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