

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 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 243

4
5 By: Senator T. Smith
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For An Act To Be Entitled

8
9 AN ACT TO AMEND ARKANSAS CODE § 23-89-211 TO
10 REQUIRE PAYMENT OF SALES TAXES IN INSURANCE
11 SETTLEMENTS INVOLVING TOTAL AUTOMOBILE LOSSES;
12 AND FOR OTHER PURPOSES.
13

Subtitle

14
15 AN ACT TO AMEND ARKANSAS CODE § 23-89-
16 211 TO REQUIRE PAYMENT OF SALES TAXES IN
17 INSURANCE SETTLEMENTS INVOLVING TOTAL
18 AUTOMOBILE LOSSES.
19
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 23-89-211 is amended to read as follows:

24 23-89-211. ~~Amount of claim attributable to value and amount~~
25 ~~attributable to sales tax.~~ Total loss settlements.

26 (a) If an insurer settles a claim for damages to an automobile as a
27 total loss to its own insured, the insurer shall include with the payment ~~an~~
28 ~~itemized list stating the amount attributable to the value of the automobile~~
29 ~~and the amount attributable to the sales tax on an automobile of that value~~
30 for the loss:

31 (1) All applicable taxes, including sales taxes and fees as
32 required under Rule and Regulation 43 of the State Insurance Department; and

33 (2) An itemized list stating the amount of the claim
34 attributable to the value of the automobile and attributable to the sales tax
35 on an automobile of that value.

36 ~~(b) For the purposes of this section, the term "automobile"~~



1 ~~means a private passenger motor vehicle only.~~ The failure of an insurer to
2 comply with the requirements of subsection (a) of this section shall be
3 considered an unfair claims settlement practice under § 23-66-206(13).
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5 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that current Arkansas law does not
7 specify that an insurer must pay sales tax when it settles a claim for
8 damages to an automobile as a total loss; that Arkansas law does not make an
9 insurer's failure to pay sales tax when settling a claim for total automobile
10 loss an unfair trade practice; that Arkansas law is not in accord with
11 current insurance regulations concerning settlements for total automobile
12 losses; and that this act is immediately necessary to protect Arkansas
13 insurance consumers and to conform Arkansas law to existing insurance
14 regulations. Therefore, an emergency is declared to exist and this act being
15 immediately necessary for the preservation of the public peace, health, and
16 safety shall become effective on:

17 (1) The date of its approval by the Governor;

18 (2) If the bill is neither approved nor vetoed by the Governor,
19 the expiration of the period of time during which the Governor may veto the
20 bill; or

21 (3) If the bill is vetoed by the Governor and the veto is
22 overridden, the date the last house overrides the veto.

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