

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

HOUSE BILL 1186

5 By: Representative Leding
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For An Act To Be Entitled

8 AN ACT TO REGULATE AIRCRAFT INSURANCE PRACTICES; TO
9 MODIFY THE DEFINITION OF "CASUALTY INSURANCE" UNDER
10 THE INSURANCE LAWS OF ARKANSAS; AND FOR OTHER
11 PURPOSES.
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Subtitle

14 TO REGULATE AIRCRAFT INSURANCE PRACTICES
15 AND TO MODIFY THE DEFINITION OF "CASUALTY
16 INSURANCE" UNDER THE INSURANCE LAWS OF
17 ARKANSAS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 23-62-105(a)(16), concerning miscellaneous
24 insurance included within the defined term "casualty insurance" under the
25 insurance laws of Arkansas, is amended to read as follows:

26 (16) ~~Miscellaneous. Insurance against any other kind of loss,~~
27 ~~damage, or liability properly a subject of insurance and not within any other~~
28 ~~kind of insurance as defined in this subchapter and §§ 23-62-201, 23-62-202,~~
29 ~~23-62-204, 23-62-205, and 23-63-701 if that insurance is not disapproved by~~
30 ~~the Insurance Commissioner as being contrary to law or public policy.~~
31 Aircraft insurance. Insurance against loss, damage, expense, or liability
32 arising out of the ownership, maintenance, or use of an aircraft; and
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34 SECTION 2. Arkansas Code § 23-62-105(a), concerning the definition of
35 "casualty insurance" under the insurance laws of Arkansas, is amended to add
36 an additional subdivision to read as follows:



1 (17) Miscellaneous. Insurance against any other kind of loss,
2 damage, or liability properly a subject of insurance and not within any other
3 kind of insurance as defined in this subchapter and §§ 23-62-201, 23-62-202,
4 23-62-204, 23-62-205, and 23-63-701 if that insurance is not disapproved by
5 the Insurance Commissioner as being contrary to law or public policy.
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7 SECTION 3. Arkansas Code Title 23, Chapter 79, Subchapter 1, is
8 amended to add an additional section to read as follows:

9 23-79-160. Aircraft insurance — Certain exclusions prohibited —
10 Exceptions.

11 (a) Except as provided under subsection (b) of this section, an
12 insurance policy issued or delivered in this state covering any loss, damage,
13 expense, or liability arising out of the ownership, maintenance, or use of an
14 aircraft shall not exclude or deny coverage because the aircraft is operated
15 in violation of a state law or rule, federal law or regulation, or a local
16 ordinance.

17 (b) An insurer may include specific exclusions or conditions in the
18 insurance policy that relate to:

19 (1) Certification of an aircraft or a pilot in a stated category
20 by the federal aviation administration;

21 (2) Establishing requirements for pilot experience; or

22 (3) Setting limitations on the use of the aircraft.

23 (c)(1) An insured's action or failure to act shall not be used as a
24 basis for denial of an insurance claim unless the insured's action or failure
25 to act had a direct causal connection to the loss upon which the insurance
26 claim is based.

27 (2) As used in subdivision (c)(1) of this section, "denial of an
28 insurance claim" means a refusal to pay a claim due to a retroactive
29 termination of the insurance policy because of the insured's action or
30 failure to act.

31 (d) An insurance policy providing liability coverage for risks of an
32 aircraft equipped with passenger seating shall not be issued with an
33 exclusion of coverage for injury or death of a passenger or nonpassenger
34 unless the aircraft is for commercial operations only.

35 (e) Aircraft insurance shall not include any other coverage that may
36 be issued to cover aircraft used for commercial operations.

1 (f) This section is an amendment to and is made a part of the Arkansas
2 Insurance Code.

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