

2021 Arkansas Insurance Legislation Summary: Property & Casualty Insurance

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This is the second article in a series of summaries of Insurance legislation from the 93rd Arkansas General Assembly.

The 93rd Arkansas General Assembly convened on January 11, 2021 and entered into an extended recess on April 27, 2021. The resolution authorizing the extended recess provides for the legislature to reconvene for the following purposes:

- Considering vetoes;
- Correcting errors and oversights;
- Completing work on congressional redistricting; and
- Considering legislation related to the COVID-19 public health emergency and distribution of COVID-19 relief funds.

The legislature expects to return in the fall to complete congressional redistricting. At least two special sessions are also expected to be called later this year. One special session is expected to consider tax cuts. A second special session is expected to consider changes to the state public employee and teacher health plans.

Acts not carrying an emergency clause or a specified effective date generally take effect on the 91st day following the date of sine die adjournment. According to the resolution permitting the extended recess, acts not carrying an emergency clause will take effect on the 91st day following the date of recess unless the legislature reconvenes before the expiration of 90 days. The Attorney General has opined that such bills will become effective on July 28, 2021. If the General Assembly reconvenes before the expiration of the 90 days, however, the effective date of bills passed without an emergency clause will be extended by the number of days the legislature is in session.

Legislation of Interest to Property & Casualty Insurers***A. Passed***

1. [HB1243](#) (Act 994) – Clarifies acceptable justifications for canceling property and casualty policies that have been in force for more than 60 days and for policies that have been in force for 60 days or fewer. Effective July 1, 2022.
2. [HB1487](#) (Act 559) – Creates civil immunity for damages or injuries caused by or resulting from exposure to COVID-19 on business premises. Immunity does not apply to willful, reckless, or intentional misconduct. Effective April 5, 2021.

3. [HB1488](#) (Act 353) – Establishes COVID-19 as an occupational disease with regard to workers' compensation benefit eligibility and allows employees to receive workers' compensation benefits if they can demonstrate that they contracted the coronavirus while at work. Effective March 15, 2021.
4. [HB1521](#) (Act 510) – Provides civil immunity to healthcare providers for treating COVID-19 within the scope of the healthcare provider's license and in good faith. Effective April 1, 2021.
5. [HB1562](#) (Act 619) – Makes various changes to autonomous vehicle laws by authorizing on demand driverless vehicles to deliver passengers and goods and limiting local entities' authority to impose additional requirements.
6. [HB1573](#) (Act 589) – Requires procurers of clients for chiropractic physicians to register with the state board of chiropractic examiners and prohibits certain activities that amount to misrepresentation by procurer of clients for a physician or attorney.
7. [HB1767](#) (Act 926) – Permits the operation of automated personal delivery devices in pedestrian areas and on certain roads and streets, and requires such devices to include general liability coverage of not less than \$100,000 for damages arising from the operation of the device.
8. [SB676](#) (Act 1036) – Creates a right to bring civil action any time before age 55 against a party that committed sexual abuse if the person bringing the action was either disabled or a minor at the time of the contact.

B. Failed/Defeated/No Action in Committee

1. [HB1802](#) – Would have prohibited residential contractors from advertising or promising to pay or rebate all or any portion of an insurance policy deductible as an inducement but failed to pass the Senate after passing the House.
2. [HB1838](#) – Would have allowed local authorities to regulate the operation of all terrain vehicles and impose minimum insurance requirements but was not presented.
3. [SB16](#) – Would have amended the workers' compensation law to allow for coverage of COVID-19 but was withdrawn after passage of HB1488.
4. [SB17](#) – Would have provided civil immunity to businesses that remained open during the COVID-19 public health emergency and acted in good faith but was withdrawn after passage of HB1487.
5. [SB255](#) – Would have defined recoverable damages for necessary medical care, treatment, or services as only those costs actually paid by or on behalf of the plaintiff or that remain unpaid and for which the plaintiff or any third party is legally responsible but was not presented.
6. [SB351](#) – Would have regulated peer-to-peer car sharing programs including the imposition of certain insurance requirements but failed to advance out of the Senate Insurance and Commerce Committee.
7. [SB530](#) – Would have decreased the amount of workers' compensation third-party liability to which an employer, carrier, or self-insured carrier is entitled from 2/3 to 1/2 of the proceeds that remain after payment of costs but was withdrawn from further consideration after failing to pass the full Senate.
8. [SB666](#) – Would have given an insurer a right of subrogation if a recipient of benefits failed to pursue recovery against a liable third party passed the Senate but failed to advance out of the House Insurance and Commerce Committee.

C. Submitted for Interim Study

1. [SB507](#) – Would have required workers’ compensation rules to reimburse at the lesser of bill charges or 100% of Medicare allowable amount for durable medical equipment and supplies and has been referred to an interim study by the Senate Public Health, Welfare and Labor Committee.

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View the fifth article of the series: [2021 Arkansas Insurance Legislation Summary: Arkansas Insurance Business Transfer Act](#)

View the sixth article of the series: [2021 Arkansas Insurance Legislation Summary: Act 925 Prohibits Life Insurance/Annuity Beneficiary Change through Will](#)