2025 Arkansas Insurance Legislation Summary: P&C

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This is the second article in a series of summaries of insurance legislation from the 95th Arkansas General Assembly.

The 95th Arkansas General Assembly convened on January 13, 2025, and entered into an extended recess on April 16, 2025. The resolution authorizing the extended recess provides for the legislature to reconvene for the following purposes:

- Considering vetoes;
- Correcting errors and oversights;
- Completing its work on proposed constitutional amendments; and
- Considering the need for further extension of the Regular Session of the Ninety-Fifth General Assembly.

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. The date of sine die adjournment is May 5, 2025.

The Arkansas Attorney General has opined that acts without an emergency clause or a specified effective date will become effective on Tuesday, August 5, 2025.

Absent the calling of a special session, the General Assembly is not expected to return until April 2026 for a fiscal session.

Legislation of Interest to Property and Casualty Insurers

A. Passed

1. HB1148 (Act 597) – Creates the Arkansas Privacy Act to address certain images, related to critical infrastructure, captured by unmanned aircraft systems. The Act does not prohibit an insurance company or a person acting on behalf of an insurance company from using an unmanned aircraft system for purposes of underwriting an insurance risk or investigating damage to insured property. The Act clarifies that it is lawful for an employee or affiliate of an insurance company to capture images in connection with the underwriting of an insurance policy, or the rating or adjusting of an insurance claim, regarding real property or a structure on real property.

2. HB1204 (Act 28) – Establishes recovery of damages for necessary medical care, treatment, or services rendered. The Act seeks clarify recovery of damages, under A.C.A. § 16-64-120, for past necessary medical care, paste necessary medical treatment, or past necessary medical services received includes only the costs actually paid by or on behalf of the plaintiff or costs that remain unpaid for which the plaintiff or another third party is legally responsible.

3. HB1274 (Act 521) – Allows a title insurance agent, title insurer, or title company to pay real property taxes in conjunction with the issuance of a title.

4. HB1367 (Act 346) – Amends the Arkansas Title Insurance Act to regulate access to public records by a title agent and a title company. The Act requires city, county, and state government officials that maintain, compile, or keep instruments of record affecting real property to provide those instruments to title insurance agents, title insurance agencies, and persons affiliated with a title insurance agency.

5. HB1405 (Act 309) – Adds additional restrictions on the use of a procurer by a licensed chiropractic physician including prohibiting solicitations of individuals involved in a motor vehicle accident within 14 days after the date of the accident and prohibiting all direct solicitations of individuals under 18 years of age.

6. HB1625 (Act 974) – Requires home inspectors to carry a professional liability insurance policy or an errors and omissions insurance policy approved by the State Insurance Department for the home inspections performed by the inspector.

7. HB1913 (Act 928) – Amends the law concerning the qualifications for intermediate and learner's driver's license. The Act clarifies that individuals under the age of 18 may apply for these licenses. Additionally, under the Act, an intermediate driver's license shall expire immediately upon a driver's reaching eighteen years of age if the driver has not been involved in a serious accident or a conviction of a serious traffic violation for at least one year and the intermediate license was issued before his or her eighteenth birthday.

8. SB70 (Act 22) – Revises the notice requirements regarding premium increases on insurance covering commercial risks. Under the Act, any insurer that revises its rates or rules that results in a premium increase equal to or greater than twenty-five percent on any renewal policy issued for a term of twelve months or less must provide notice, by mail or delivery, to the insured's agent no less than sixty days before the effective date of renewal to the insured not less than thirty days before the effective date of renewal.

9. SB76 (Act 23) – Revises certain practices under the Arkansas Insurance Code. The Act clarifies the fees that licensed property or casualty agents and brokers can charge to insureds. The bill specifies that these fees must be clearly listed on billing statements and cannot exceed 20% of the total premium charged by the insurer. Additionally, the fees should be reasonable based on the costs of underwriting and processing policies.

10. SB276 (Act 345) – Clarifies that surplus lines insurance is acceptable coverage for financial responsibility of motor vehicle insurance coverage.

11. SB366 (Act 427) – Establishes the Strengthen Arkansas Homes Act and creates the Strengthen Arkansas Homes Program Fund.

12. SB481 (Act 779) – Establishes the State Captive Insurance Program allowing certain state entities to consolidate their insurance under a single program.

13. SB483 (Act 957) – Repeals and revises certain reporting requirements for the State Insurance Department and the State Securities Department.

B. Failed/Defeated/No Action in Committee

1. HB1193 – Would have required insurers to include a motor vehicle lienholder on damages payments made under an insurance policy.

2. HB1381 – Would have permitted an automobile liability insurer to attach the minimum five thousand dollars ($5,000) in no-fault medical and hospital benefits under A.C.A. § 23-89-202(1) if an insured obtains a recovery from a liable third party or fails to pursue recovery against a liable third party.

3. HB1419 – Would have revised the reporting requirements for the Arkansas Workers' Compensation Insurance Plan.

4. HB1811 – Would have required a person insured under a property insurance policy to pay any deductible applicable to a first-party claim made under the policy in order to recoup recoverable depreciation. If passed, any person that failed to pay a deductible, waived a deductible, provided a rebate in lieu of a deductible, or otherwise did not require a deductible to be paid under a property insurance policy would be committing a fraudulent insurance act.

5. HB1868 – Would have required an insurer to pay a fair and reasonable service fee directly to a fire department for firefighting services delivered to insured property based on their time on scene.

6. HB1950 – Would have prohibited insurers from cancelling or failing to renew a homeowners policy based on the operation of a licensed family childcare facility in the home.

7. SB179 – Would have created the Strengthen Arkansas Homes Act and created the Strengthen Arkansas Homes Program Premium Tax Fund.

8. SB284 – Would have amended the rules regarding employer liability related to workers' compensation. The Act would have required the Workers' Compensation Commission to maintain a system of managed health care for the State of Arkansas. The Act gave employees the right to be treated by his or her regular treating physician and to petition the commission for a change of treating physician.

9. SB285 – Would have increased the maximum weekly benefit from $903 to $2,300.

10. SB286 – Would have allowed additional wage loss benefits in addition to scheduled injury payments under the workers' compensation law that resulted from Initiated Measure 1948, No. 4.

11. SB287 – Would have modified certain attorney fees in workers' compensation matters by setting legal fees for controversial medical benefits 12.5% of the disputed amount. It also would have raised the cap on additional attorney fees for appeals and increased fees for changing physicians from $200 to $1,000.

12. SB288 – Would have permitted injured employees covered by workers' compensation insurance to request one change per year to a physician within a certified managed care network or an appropriate specialist. Would have also permitted injured employees to change certain professionals, like chiropractors, simply by notifying their employer.

13. SB418 – Would have established a requirement for workers' compensation insurers to spend at least eighty-five percent of premiums on healthcare claims and wage claims.

14. SB441 – Would have created the Junk Lawsuit Prevention Act of 2025. The Act would prohibit certain sales and marketing practices that mislead consumers about the nature of discount cards or purchasing mechanisms not classified as insurance. The Act would have permitted any injured party to take legal action for a violation of the Act.

View the first article of the series of summaries of Insurance legislation from the 95th Arkansas General Assembly: 2025 Arkansas Insurance Legislation Summary: General