

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

SENATE BILL 276

By: Senator B. Johnson  
By: Representative Steimel

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING SURPLUS LINES INSURANCE; TO CLARIFY THAT SURPLUS LINES INSURANCE IS ACCEPTABLE COVERAGE FOR FINANCIAL RESPONSIBILITY OF MOTOR VEHICLE INSURANCE COVERAGE; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING SURPLUS LINES INSURANCE; AND TO CLARIFY THAT SURPLUS LINES INSURANCE IS ACCEPTABLE COVERAGE FOR FINANCIAL RESPONSIBILITY OF MOTOR VEHICLE INSURANCE COVERAGE.

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

SECTION 1. Arkansas Code § 27-19-605 is amended to read as follows:  
27-19-605. Requirements as to policy or bond.

(a) ~~No~~ A policy or bond shall not be effective under § 27-19-604 unless issued by an insurance company or surety company authorized or eligible to do business in this state except as provided in subsection (b) of this section, nor unless the policy or bond is subject, if the accident resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than twenty-five thousand dollars (\$25,000) because of bodily injury or death of one (1) person in any one (1) accident and subject to said limit for one (1) person, to a limit of not less than fifty thousand dollars (\$50,000) because of bodily injury or death of two (2) or more persons in any one (1) accident, and if the accident has resulted in injury



to or destruction of property, to a limit of not less than twenty-five thousand dollars (\$25,000) because of injury to or destruction of property of others in any one (1) accident.

(b) ~~No~~ A policy or bond shall not be effective under § 27-19-604 with respect to any vehicle which was not registered in this state or was a vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing the policy or bond is authorized or eligible to do business in this state, or if the company is not authorized to do business in this state, unless it shall execute a power of attorney authorizing the Secretary of the Department of Finance and Administration to accept service on its behalf of notice or process in any action upon the policy or bond arising out of an accident.

(c) The Office of Driver Services may rely upon the accuracy of the information in a required report of an accident as to the existence of insurance or a bond unless and until the Office of Driver Services has reason to believe that the information is erroneous.

SECTION 2. Arkansas Code § 27-19-712 is amended to read as follows:  
27-19-712. Certificate of insurance as proof.

(a)(1) Proof of financial responsibility for the future may be furnished by filing with the Office of Driver Services the written certificate of any insurance carrier duly authorized or eligible to do business in this state certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility.

(2) The certificate shall give the effective date of the motor vehicle liability policy, which date shall be the same as the effective date of the certificate, and shall designate by explicit description or by appropriate reference all vehicles covered thereby, unless the policy is issued to a person who is not the owner of a motor vehicle.

(b)(1) A nonresident may give proof of financial responsibility by filing with the Office of Driver Services a written certificate of an insurance carrier authorized or eligible to transact business in the state in which the vehicle owned by the nonresident is registered, or in the state in which the nonresident resides, if he or she does not own a vehicle, provided

the certificate otherwise conforms with the provisions of this subchapter.

(2) The Office of Driver Services shall accept the certificate upon condition that the insurance carrier complies with the following provisions with respect to the policies so certified:

(A) The insurance carrier shall execute a power of attorney authorizing the Secretary of the Department of Finance and Administration to accept on its behalf service of notice or process in any action arising out of a motor vehicle accident in this state; and

(B) The insurance carrier shall agree in writing that the policies shall be deemed to conform with the laws of this state relating to the terms of motor vehicle liability policies issued therein.

(c) If any insurance carrier not authorized or eligible to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any such undertakings or agreements, the Office of Driver Services shall not thereafter accept as proof any certificate of the carrier, whether theretofore filed or thereafter tendered, as proof, so long as the default continues.

SECTION 3. Arkansas Code § 27-19-713(a), concerning the definition of "motor vehicle liability policy", is amended to read as follows:

(a) Certification. As used in this chapter, "motor vehicle liability policy" means an "owner's policy" or an "operator's policy" of liability insurance, certified as provided in § 27-19-712 as proof of financial responsibility for the future, and issued, except as otherwise provided in § 27-19-712 by an insurance carrier duly authorized or eligible to transact business in this state, to or for the benefit of the person named therein as insured.

SECTION 4. Arkansas Code § 27-22-104(a)(1), concerning minimum coverage of motor vehicle insurance required, is amended to read as follows:

(a)(1) It is unlawful for a person to operate a motor vehicle within this state unless the motor vehicle and the person's operation of the motor vehicle are each covered by:

(A) A certificate of self-insurance under § 27-19-107; or

(B) An insurance policy issued by an insurance company authorized or eligible to do business in this state.

SECTION 5. Arkansas Code § 27-22-202(4), concerning the definition of "insurer" used under the Arkansas Online Insurance Verification System Act, is amended to read as follows:

(4) "Insurer" means a motor vehicle insurance company licensed or authorized or eligible to do business in this state.

**APPROVED: 3/20/25**