

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

HOUSE BILL 1186

By: Representative Leding

For An Act To Be Entitled

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

Subtitle

TO REGULATE AIRCRAFT INSURANCE PRACTICES AND TO MODIFY THE DEFINITION OF "CASUALTY INSURANCE" UNDER THE INSURANCE LAWS OF ARKANSAS.

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

SECTION 1. Arkansas Code § 23-62-105(a)(16), concerning miscellaneous insurance included within the defined term "casualty insurance" under the insurance laws of Arkansas, is amended to read as follows:

(16) ~~Miscellaneous. Insurance against any other kind of loss, damage, or liability properly a subject of insurance and not within any other kind of insurance as defined in this subchapter and §§ 23-62-201, 23-62-202, 23-62-204, 23-62-205, and 23-63-701 if that insurance is not disapproved by the Insurance Commissioner as being contrary to law or public policy.~~
Aircraft insurance. Insurance against loss, damage, expense, or liability arising out of the ownership, maintenance, or use of an aircraft; and

SECTION 2. Arkansas Code § 23-62-105(a), concerning the definition of "casualty insurance" under the insurance laws of Arkansas, is amended to add an additional subdivision to read as follows:



(17) Miscellaneous. Insurance against any other kind of loss, damage, or liability properly a subject of insurance and not within any other kind of insurance as defined in this subchapter and §§ 23-62-201, 23-62-202, 23-62-204, 23-62-205, and 23-63-701 if that insurance is not disapproved by the Insurance Commissioner as being contrary to law or public policy.

SECTION 3. Arkansas Code Title 23, Chapter 79, Subchapter 1, is amended to add an additional section to read as follows:

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

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

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

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

(2) Establishing requirements for pilot experience; or

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

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

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

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

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

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