

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1381

By: Representative Steimel

By: Senator B. Johnson

For An Act To Be Entitled

AN ACT CONCERNING AN INSURER'S RIGHT TO SUBROGATION
AND REIMBURSEMENT FOR MEDICAL AND HOSPITAL BENEFITS;
AND FOR OTHER PURPOSES.

Subtitle

CONCERNING AN INSURER'S RIGHT TO
SUBROGATION AND REIMBURSEMENT FOR
MEDICAL AND HOSPITAL BENEFITS.

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

SECTION 1. DO NOT CODIFY. Legislative intent.

It is the intent of the General Assembly to limit the applicability of this act to only the aggregate five thousand dollars (\$5,000) in medical and hospital benefits under § 23-89-202(1).

SECTION 2. Arkansas Code § 23-89-207 is amended to read as follows:
23-89-207. Insurer's right of reimbursement.

(a)(1) Whenever a recipient of benefits under § 23-89-202(1) ~~and (2)~~ recovers in tort for injury, either by settlement or judgment, the insurer paying the benefits has a right of reimbursement and credit out of the tort recovery or settlement, less the cost of collection, as defined.

~~(b)(2)~~ An insurer shall have a lien upon the recovery to the extent of the insurer's benefit payments.

(3) If a recipient of benefits under § 23-89-202(1) does not pursue recovery against a liable third party, an insurer shall have a right of subrogation.



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(4) All cost of collection thereof shall be assessed against the insurer and insured in the proportion each benefits from the recovery.

~~(c) The insurer shall have a lien upon the recovery to the extent of its benefit payments.~~

~~(d)~~(5) The An insurer for the party who is liable in damages to the injured party shall not condition settlement or payment of a judgment in favor of the injured party upon issuing a single check jointly to the injured party and the injured party's insurance company.

(b) The common law doctrine that requires a party to be made whole before an insurer is reimbursed or is able to subrogate does not apply to the recovery of an insurer under this section.

(c) This subchapter does not apply to, modify, or abrogate the rights and obligations under the Workers' Compensation Law, § 11-9-101 et seq.