



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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Bulletin 3A-87

RESCISSION OF DEPARTMENT BULLETIN 3-87

August 18, 1987

Department Bulletin 3-87, effective May 28, 1987, is hereby rescinded. As a result of legislation mandating that proof of automobile liability insurance be furnished as a condition of obtaining renewals of motor vehicle license plates, this Department has received numerous inquiries and complaints. The vast majority of these calls and letters concern the purchase of automobile insurance by those who either have not maintained continuous coverage or who have had no prior automobile insurance.

It will be the position of this Department that the following underwriting practices will be deemed a violation of Ark. Stat. Ann. §§66-2215(1)(a), 66-3304, and/or 66-3005(12) (Supp.1987)*:

1. Refusing to insure a risk solely because an applicant has had a lapse in coverage for sixty (60) days or less prior to the date of application;
2. Assessing a surcharge over the authorized rate level solely because the applicant has had no prior coverage at all; and
3. Refusing to insure an individual risk due to the fact that the applicant has had no prior need for continuous coverage due to the applicant's employment.

This is not intended to interfere with utilization of the customary rating criteria for underwriting automobile liability insurance measuring probable variations among insureds in hazards or expense.

Insurers are required to provide the following notice which must accompany all notices of cancellation or non-renewal of automobile liability policies on Arkansas Risks:

"NOTICE

FAILURE TO MAINTAIN AUTOMOBILE LIABILITY COVERAGE IN THE MINIMUM LIMITS OF LIABILITY OF \$25,000/\$50,000/\$15,000 IS A VIOLATION OF ARKANSAS LAW"

This notice may be attached to the cancellation or non-renewal notice by a sticker or by a separate form. Please direct your inquiries as to this mandated notice to the Legal Division of this Department, (501) 371-1811.

Robert M. Eubanks, III
INSURANCE COMMISSIONER

*Recodified as §§23-63-213, 23-81-105 and 23-66-206, respectively.