

## ARKANSAS STATUTES AND CODES

### § 23-101-110 - Claims.

#### 23-101-110. Claims.

(a) In the event of a loss under the creditor-placed insurance policy, the insurer shall pay, at a minimum, the least of the following, the value of which shall be determined as of the date of loss:

(1) The cost to repair the collateral less any applicable deductible;

(2) The actual cash value of the collateral, less any applicable deductible;

(3) The net debt, less any applicable deductible. The method of calculation of net debt payable pursuant to this subdivision (a)(3) shall be identical to the method of calculation of net debt for payment of premiums pursuant to 23-101-106(a); or

(4) If single interest insurance is provided, the amount by which the creditor's interest is impaired.

(b) The net debt or actual cash value amounts in subsection (a) of this section may be reduced by the value of salvage if the insurer does not take possession of the insured property.

(c) In the event of a loss, no subrogation shall run against the debtor from the insurer.

(d) Whenever a claim is made on a creditor-placed insurance policy, the insurer shall furnish to the claimant a written statement of the loss explaining the settlement amount and the method of settlement.

(e) (1) A creditor or insurer may not abandon salvage to a towing or storage facility in lieu of payment of storage fees without the consent of the facility and the claimant.

(2) (A) After the filing of a claim as provided in the policy or certificate of insurance, the insurer shall be responsible for the payment of towing and storage charges for a covered loss occurrence from the time storage is reported to the insurer or lender to the time the claim is paid.

(B) The insurer shall give written notice to the claimant when the claim is paid that the claimant may incur storage charges after the date the claim is paid.

**SEE SECTION 23-101-110(e)(1)**