

## **EAANG RESOLUTION AR 14-04**

### **PERTAINING TO: Automatic 25% automobile insurance premium discount for all military members within the state of Arkansas**

**ISSUE:** Arkansas State Code, Title 27, Subtitle 2, Chapter 22, Paragraph 104 (A.C.A. § 27-22-104) makes it unlawful for a person to operate a motor vehicle without automobile insurance in the state of Arkansas. The Arkansas Insurance Commissioner, along with Arkansas State Code, Title 23, Subtitle 3, Chapter 77 (A.C.A. § 23-77) regulates any group, company, or organization that sells insurance within the state of Arkansas. Despite additional safety and accident avoidance training and the readiness expectation for our Military members, there is no state requirement for a mandated discount on insurance premiums in Arkansas.

**BACKGROUND:** Military members are required to do additional training yearly for accident avoidance, vehicle safety, and drivers training. This training aims to make them a more responsible and safe driver. Military members are also expected to maintain a level of readiness, to include their privately owned vehicles, that assists their units in responding at a moment's notice to local and state emergencies. Responding when needed often means traveling in their own vehicle when all others are advised to stay off the roads. This puts their vehicle at a higher personal risk on an insurance policy that our Soldiers and Airmen are required to maintain without any compensation. Neighboring states like Louisiana already have laws on the books that require any insurance provider to provide a 25% discount for military members as a requirement to be licensed in that state. This is a cost neutral issue for the state of Arkansas since it does not impact revenue for the state. It reinforces the additional safety and vehicular training that our members receive every year and serves as an additional incentive to continue to serve. It also continues to promote Arkansas as a military friendly state that honors one of our greatest assets, the Citizen Soldier.

**RECOMMENDATION:** The Enlisted Association of the Arkansas National Guard (EAANG) encourages the Arkansas Legislature to add an additional paragraph to A.C.A. § 23-77 that reads every motor vehicle insurer authorized to transact business in this state shall provide to all military personnel, including the National Guard, a discount of twenty-five percent of the premium, in addition to any other rebates, discounts, or benefits already entitled to the personnel, on any automobile insurance policy purchased in this state to cover non-commercial motor vehicles insured by such military personnel. EAANG also encourages the Arkansas Insurance Commissioner to issue an immediate directive that issues the same purpose until the time that such law can be introduced into the state code. The Insurance Commissioner will also adopt all rules and regulations that govern the provision.

**SUBMITTED BY:** James H. Howard