



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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Bulletin 4-82

PUNITIVE OR EXEMPLARY DAMAGE EXCLUSIONS

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The Department has received a number of filings containing exclusions for punitive or exemplary damages which cannot be approved for use in the State as submitted.

Punitive or exemplary damage exclusions will not be approved by the Department unless the policy or endorsement having the exclusions has an acceptable definition of these terms punitive damages or exemplary damages. An acceptable definition of these terms is a definition substantially similar to the definition in Arkansas Model Instruction 2217 which states that "Punitive damages may be imposed to punish a wrongdoer and to deter others from similar conduct."

In the future, please do not submit filings containing a punitive or exemplary damage exclusion not having an acceptable definition of those terms.

W. H. L. Woodyard, III
INSURANCE COMMISSIONER