



## **Barwick v. GEICO**

### Arkansas Supreme Court Upholds UETA, Declares E-Signed Waiver of Medical Coverage in Auto Policy to be “In Writing”

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In a March 31, 2011, opinion, the Supreme Court of Arkansas affirmed the lower court's granting of a summary judgment in favor of GEICO, upholding the applicability of the Uniform Electronic Transactions Act (“UETA”) to a waiver of minimum medical coverage. The insured's wife completed the online application for auto insurance coverage and as part of that online application waived the minimum medical coverage. After a car wreck requiring the insured to incur medical expenses, the insured claimed that the electronic signature on the online waiver of medical coverage was not binding on him because the waiver was not “in writing” as required by the Arkansas Insurance Code. The insured later sought medical benefits under the auto insurance policy.

The insured claimed that pressing a computer button did not constitute a “writing” required by the Arkansas Insurance Code, which requires certain minimum benefits to be included in an auto liability insurance policy unless the insured rejects such benefits “in writing.” The insured argued that a general statute like UETA, which provides that an electronic record satisfies the requirement for a record to be in writing, does not apply when a specific statute, i.e., the insurance statute with the “in writing” requirement, governs.

The Arkansas Supreme Court, siding with GEICO and upholding the summary judgment of the lower court in GEICO's favor, held that the electronic record memorializing an insurance applicant's rejection of coverage qualifies as a written rejection, as required by the insurance statute. The Court saw no conflict between UETA and the auto insurance statute, and noted that UETA could not be more straightforward in allowing for an electronic record to satisfy the law that requires a record to be in writing.

GEICO noted the irony of an insured challenging the validity of an electronic rejection of coverage while seeking the benefit of an insurance policy obtained online, but the Court chose not to address that argument due to its decision to uphold the applicability of UETA in this case.

That this case was concluded on a motion of summary judgment makes this a particularly important case for insurers, of any line of business, to read.

The full text of the Court's opinion is at *Barwick v. Gov't Emp. Ins. Co.* (aka GEICO), 2001 Ark. 128, 2011 Ark. LEXIS 111.

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