COURT OF APPEALS OF ARKANSAS, DIVISION IV

Marco Soto-Abarca v. Trexis Insurance Co.

2026 Ark. App. 192 · No. CV-24-853 · Decided March 18, 2026

SUMMARY

The Arkansas Court of Appeals affirmed summary judgment for Trexis Insurance Co., holding that an automobile-policy exclusion for liability arising from the use of a vehicle by an unlicensed driver was clear, unambiguous, and did not violate Arkansas public policy. The court concluded that Arkansas statutes requiring omnibus coverage and compulsory insurance do not expressly prohibit such exclusions.

CASE DETAILS

COURT	Court of Appeals of Arkansas, Division IV
WRITING FOR THE COURT	Cindy Grace Thyer; Harrison; Tucker
JURISDICTION	Arkansas Court of Appeals, Division IV
DECIDED	March 18, 2026
DOCKET	CV-24-853
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a circuit-court order granting the insurer's motion for summary judgment in a declaratory-judgment action concerning coverage under an automobile insurance policy.
STANDARD OF REVIEW	Summary judgment is proper when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. When material facts are undisputed, appellate review focuses on the circuit court's application of law to those facts, and questions of law are reviewed de novo.
PRECEDENTIAL VALUE	Published
PARTIES	Marco Soto-Abarca v. Trexis Insurance Co.

TOPICS

insurance coverage · duty to defend · duty to indemnify · declaratory relief insurance · statutory interpretation

PRACTICE AREAS

insurance law automobile insurance appellate practice

QUESTIONS PRESENTED

1. Whether the unlicensed-driver exclusion in Trexis's automobile insurance policy was clear and unambiguous.
2. Whether Arkansas's omnibus-clause statute, compulsory-insurance statutes, or public policy prohibited enforcement of the unlicensed-driver exclusion.
3. Whether Trexis had no duty to defend or indemnify Trejo under the exclusion.

HOLDINGS

1. The exclusion for bodily injury or property damage caused by or arising from the operation, maintenance, or use of the vehicle by a person without a valid, in-force operator's license was clear and unambiguous.
2. Arkansas law does not prohibit an automobile insurance policy from excluding liability coverage for an unlicensed driver, and the exclusion is not void as against Arkansas public policy.
3. Trexis was entitled to summary judgment declaring that the unlicensed-driver exclusion was valid and that coverage was excluded under the policy.

KEY QUOTATIONS

> *"While the compulsory insurance law requires an automobile liability insurance policy to include certain minimum amounts of coverage, it does not require the policy to insure against all kinds of risk."* (at 7)

> *"Nevertheless, section 27-22-104 does not require that every liability insurance policy cover every type of automobile accident."* (at 7-8)

> *"Reading section 27-19-713 in conjunction with section 27-22-101, we can find nothing in our statutes that expressly prohibits exclusions such as the unlicensed-driver clause at issue here."* (at 9)

FACTUAL BACKGROUND

Trexis issued an Arkansas personal automobile insurance policy to Arturo Martinez-Araujo covering a 2005 Honda Civic. Julian Trejo, who lacked a valid driver's license, drove the vehicle with Araujo's permission and was involved in an accident with Marco Soto-Abarca on December 2, 2022. Trexis's policy excluded liability coverage for bodily injury or property damage arising from operation of the vehicle by a person without a valid, in-force operator's license, unless the person was listed or endorsed as a driver. Soto-Abarca sued Trejo, while Trexis sought a declaration that the exclusion eliminated any duty to defend or indemnify Trejo.

PROCEDURAL HISTORY

Trexis filed a declaratory-judgment action seeking a declaration that it had no duty to defend or indemnify the permissive driver of an insured vehicle because the driver lacked a valid license. After discovery, Trexis moved for summary judgment. The Washington County Circuit Court found no genuine issue of material fact, ruled that the exclusion was unambiguous and did not violate public policy, and entered judgment for Trexis. Soto-Abarca timely appealed.

DISPOSITION

affirmed

CASES CITED

- Lewis v. Mid-Century Ins. Co., 362 Ark. 591, 210 S.W.3d 113 (2005)
- Flentje v. First Nat'l Bank of Wynne, 340 Ark. 563, 11 S.W.3d 531 (2000)
- Patterson v. S. Farm Bureau Cas. Ins. Co., 2018 Ark. App. 179, 545 S.W.3d 253
- Shelter Gen. Ins. Co. v. Williams, 315 Ark. 409, 867 S.W.2d 457 (1993)
- Hurst v. S. Farm Bureau Cas. Ins. Co., 2011 Ark. App. 657
- Jordan v. Atl. Cas. Ins. Co., 344 Ark. 81, 40 S.W.3d 254 (2001)
- Hinojosa v. Trexis Ins. Co., 2023 Ark. App. 359, 673 S.W.3d 800
- Harasyn v. St. Paul Guardian Ins. Co., 349 Ark. 9, 75 S.W.3d 696 (2002)
- State Farm Mut. Auto. Ins. Co. v. Henderson, 356 Ark. 335, 150 S.W.3d 276 (2004)
- Sterling Drug, Inc. v. Oxford, 294 Ark. 239, 743 S.W.2d 380 (1988)
- Commercial Union Insurance Co. v. Johnson, 294 Ark. 444, 745 S.W.2d 589 (1988)
- Adams v. Thomas, 729 So. 2d 1041 (La. 1999)
- Searcy v. Auto. Cas. Ins. Co., 714 So. 2d 1265 (La. Ct. App. 1998)
- State Farm Mut. Auto. Ins. Co. v. Landry, 688 So. 2d 1125 (La. Ct. App. 1996)
- Branscumb v. Freeman, 360 Ark. 171, 200 S.W.3d 411 (2004)
- Southern Farm Bureau Cas. Ins. Co. v. Easter, 374 Ark. 238, 287 S.W.3d 537 (2008)
- Smith v. Shelter Mutual Insurance Company, 327 Ark. 208, 937 S.W.2d 180 (1997)
- Rogers v. State Farm Insurance Co., 243 Ark. 887, 422 S.W.2d 677 (1968)