

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

As Engrossed: H3/29/21

# A Bill

HOUSE BILL 1590

By: Representative Gazaway

By: Senator T. Garner

## For An Act To Be Entitled

AN ACT CONCERNING INSURANCE PROCEEDS OF LIFE, HEALTH,  
ACCIDENT, AND DISABILITY POLICIES; TO DECLARE AN  
EMERGENCY; AND FOR OTHER PURPOSES.

### Subtitle

CONCERNING INSURANCE PROCEEDS OF LIFE,  
HEALTH, ACCIDENT, AND DISABILITY  
POLICIES; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 16-66-209 is amended to read as follows:

16-66-209. Exemption – Proceeds of life, health, accident, and  
disability insurance – Definition.

(a)(1) To the extent permitted by the Arkansas Constitution, all  
moneys paid or payable to any resident of this state under an insurance  
policy providing for the payment of life, sick, accident, or disability  
benefits shall be exempt from liability or seizure under judicial process of  
any court and shall not be subjected to the payment of any debt by contract  
or otherwise by any writ, order, judgment, or decree of any court.

(2) The exemption under subdivision (a)(1) of this section does  
not apply to a writ, order, seizure, or other judicial process arising from a  
judgment for damages for personal injury involving a felony offense for which  
the beneficiary has been convicted in a federal or state court.

(b) As used in this section, “moneys” means a payment made under an  
insurance policy to compensate:



(1) The insured or beneficiary for a claim under the policy; or  
(2) The owner, insured, or beneficiary for the cash surrender value of the policy.

(c) Nothing in this section shall be construed to affect the validity of any sale, assignment, mortgage, pledge, or hypothecation of a policy of insurance or the avails, proceeds, or benefits of a policy of insurance.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain judgment creditors are being denied viable avenues of collecting on valid judgments; that judgment creditors holding a valid judgment should be able to start collecting on, or exercise all lawful rights to begin the process of collecting on, valid judgments; that making available to creditors insurance proceeds going to a beneficiary who committed a felony giving rise to the loss is sound public policy that should be adopted by this state; and that this act is immediately necessary because the longer a judgment creditor has to wait to begin collecting on a valid judgment, the longer justice is delayed. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

- (1) The date of its approval by the Governor;  
(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or  
(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

*/s/Gazaway*

**APPROVED: 4/25/21**