

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H4/10/25

A Bill

SENATE BILL 519

By: Senator J. Boyd

For An Act To Be Entitled

AN ACT TO AMEND THE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; TO REGULATE THE PAYMENT OF INTEREST ON DEFERRED PAYMENT OF ANY CASH SURRENDER VALUE ACCORDING TO THE TERMS OF THE POLICY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; AND TO REGULATE THE PAYMENT OF INTEREST ON DEFERRED PAYMENT OF ANY CASH SURRENDER VALUE ACCORDING TO THE TERMS OF THE POLICY.

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

SECTION 1. Arkansas Code § 23-81-203(c), concerning the right of an insurer to defer the payment of any cash surrender value Standard Nonforfeiture Law for Life Insurance, is amended to read as follows:

(c) The On and after January 1, 2026, the insurer shall reserve the right to defer the payment of any cash surrender value for a period of six (6) months after demand therefor with surrender of the policy according to the terms of the policy, subject to the following:

(1) The policy death benefit shall remain in force until payment is made; and

(2) If payment is not made within forty-five (45) days after demand is made for the surrender of the policy, in addition to the cash surrender value, the insurer shall pay interest on the cash surrender at the



rate specified under § 23-81-118 and accruing from the date of surrender until the cash surrender value is paid in full within the six-month period.

/s/J. Boyd

APPROVED: 4/21/25