

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

SENATE BILL 151

By: Senator C. Penzo
By: Representative Lundstrum

For An Act To Be Entitled

AN ACT CONCERNING THE TRANSFER OF REAL PROPERTY TO A
REVOCABLE LIVING TRUST BY WARRANTY DEED; AND FOR
OTHER PURPOSES.

Subtitle

CONCERNING THE TRANSFER OF REAL PROPERTY
TO A REVOCABLE LIVING TRUST BY WARRANTY
DEED.

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

SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is amended to add an additional section to read as follows:

23-88-107. Transfer of real property into revocable living trust by warranty deed – Effect of insurance coverage.

(a) The transfer of real property into a revocable living trust by warranty deed shall not affect the coverage of title insurance or property and casualty insurance if the settlor of the revocable living trust:

(1) Is a beneficiary of the revocable living trust during the lifetime of the settlor; and

(2) Remains a beneficiary of the revocable living trust during the lifetime of the settlor.

(b) After the transfer of real property into a revocable living trust by warranty deed is effective, the trustee shall be considered insured, and the insurance coverage for the revocable living trust shall be subject to the defenses available to the insurance company under the policy as against the



original named insured.

(c) If a settlor is a beneficiary of the revocable living trust at the time of the transfer of real property into the revocable living trust by warranty deed, the transfer shall not:

(1) Affect the eligibility for the homestead property tax credit under § 26-26-1118 or right of redemption under § 26-37-315; or

(2) Accelerate a due-on-sale clause or similar clause under a mortgage or security interest.