

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H3/6/25 S3/17/25

A Bill

HOUSE BILL 1488

By: Representative Wardlaw

By: Senator Gilmore

For An Act To Be Entitled

AN ACT TO AMEND THE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; TO REQUIRE AN INSURER TO PAY INTEREST ON DEFERRED PAYMENT OF ANY CASH SURRENDER VALUE UNDER CERTAIN POLICIES; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE; AND TO REQUIRE AN INSURER TO PAY INTEREST ON DEFERRED PAYMENT OF ANY CASH SURRENDER VALUE UNDER CERTAIN POLICIES.

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 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, subject to the following:

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

(2) If payment is not made within thirty (30) 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 value at the prime rate as published in the Wall Street Journal on the day that the demand is made for surrender of the policy and accruing from the date of surrender



until the cash surrender value is paid in full within the six-month period.

/s/Wardlaw