

**Title 23. Public Utilities and Regulated Industries**  
**Chapter I. State Insurance Department, Department of Commerce**  
**Subchapter B. Life, Health, and Accident**  
**Part 136. Verification of Life Insurance Benefits**

**Codification Notes.** This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"Section 1. Authority

This Rule is promulgated pursuant to Section Two (2) of Act 500 of 2019 of the Arkansas General Assembly, codified in Ark. Code Ann. § 23-40-112(h); authority is also found in Ark. Code Ann. § 23-61-108, Ark. Code Ann. § 25-15-204, and other applicable laws or rules."

"Section 5. Effective Date

This Rule shall apply to all insurers who have issued whole life insurance policies and annuities which fund prepaid funeral benefits contracts. This Rule is effective after review and approval by the Arkansas Legislative Council, ten (10) days after filing of the approved Rule with the Arkansas Secretary of State."

**Subpart 1. Generally**

**23 CAR § 136-101. Purpose.**

The purpose of this part is to establish the process by which an insurer who has issued a whole life insurance policy or annuity which funds a prepaid funeral benefits contract, must verify benefits for a contract beneficiary.

**Authority.** Arkansas Code §§ 23-40-112, 23-61-108.

**23 CAR § 136-102. Requirements.**

(a) An insurer who has issued a whole life insurance policy or annuity which funds a prepaid funeral benefits contract shall verify the benefits of the contract beneficiary within three (3) business days from the receipt of a notification of death of a contract beneficiary and a request for verification of benefits.

(b) The three-day timeframe applies whether the request for verification of benefits is made by:

- (1) An owner, beneficiary, or assignee; or
- (2) The authorized representative of the owner, beneficiary, or assignee.

(c) The insurer is required to verify benefits, without limitation, in the following circumstances:

- (1) Whether the deceased is a covered person under the policy or annuity;
- (2) The death benefit amount under the policy or annuity; and
- (3) Whether the policy or annuity is in the contestability period.

**Authority.** Arkansas Code §§ 23-40-112, 23-61-108.

### **23 CAR § 136-103. Penalties.**

The Insurance Commissioner may impose a fine not to exceed five hundred dollars (\$500) for each failure to provide the verification required by this part and Arkansas Code § 23-40-112(h), and not more than five thousand dollars (\$5,000) in the aggregate.

**Authority.** Arkansas Code §§ 23-40-112, 23-61-108.