

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003

# A Bill

SENATE BILL 766

4  
5 By: Senator Wooldridge  
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## For An Act To Be Entitled

8  
9 AN ACT TO AMEND ARKANSAS CODE § 23-81-118 TO  
10 REQUIRE INTEREST ON LIFE INSURANCE PROCEEDS AND  
11 PREMIUM REFUNDS TO ACCRUE FROM THE DATE OF THE  
12 INSURED'S DEATH; AND FOR OTHER PURPOSES.  
13

## Subtitle

14  
15 AN ACT TO AMEND ARKANSAS CODE § 23-81-  
16 118 TO REQUIRE INTEREST ON LIFE  
17 INSURANCE PROCEEDS AND PREMIUM REFUNDS  
18 TO ACCRUE FROM THE DATE OF THE INSURED'S  
19 DEATH.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 23-81-118(b), concerning the payment of  
25 life insurance proceeds, is amended to read as follows:

26 (b)(1) ~~When proceeds of any individual policy of life insurance,~~  
27 ~~delivered or issued for delivery in this state, or refunds of premiums on any~~  
28 ~~individual policy of life insurance delivered or issued for delivery in this~~  
29 ~~state after July 20, 1979, are not paid within a reasonable period of time~~  
30 ~~after proof of the death of the insured has been furnished to the insurer,~~  
31 ~~the insurer shall pay interest upon the proceeds or refunds of premiums at~~  
32 ~~the rate of eight percent (8%) per year. For the purpose of this section, a~~  
33 ~~reasonable period of time shall be that period of time sufficient to complete~~  
34 ~~an investigation of the cause of death and to process the necessary claims.~~  
35 ~~In no case shall this period exceed thirty (30) days from the date proof of~~  
36 ~~death of the insured has been furnished to the insurer.~~ After the death of



1 an insured, the insurer shall pay interest on any proceeds or premium refund  
2 due on any individual policy of life insurance delivered or issued for  
3 delivery in this state after July 20, 1979, at the rate of eight percent (8%)  
4 per year.

5 (2) The insurer shall pay interest on any life insurance  
6 proceeds or on any premium refund payable under this section from the date of  
7 the death of the insured.

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