

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1590

5 By: Representative Gazaway
6 By: Senator K. Ingram
7

For An Act To Be Entitled

9 AN ACT CONCERNING INSURANCE PROCEEDS OF LIFE, HEALTH,
10 ACCIDENT, AND DISABILITY POLICIES; TO DECLARE AN
11 EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

15 CONCERNING INSURANCE PROCEEDS OF LIFE,
16 HEALTH, ACCIDENT, AND DISABILITY
17 POLICIES; AND TO DECLARE AN EMERGENCY.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 16-66-209 is amended to read as follows:

23 16-66-209. Exemption – Proceeds of life, health, accident, and
24 disability insurance – Definition.

25 (a)(1) To the extent permitted by the Arkansas Constitution, all
26 moneys paid or payable to any resident of this state under an insurance
27 policy providing for the payment of life, sick, accident, or disability
28 benefits shall be exempt from liability or seizure under judicial process of
29 any court and shall not be subjected to the payment of any debt by contract
30 or otherwise by any writ, order, judgment, or decree of any court.

31 (2) The exemption under subdivision (a)(1) of this section does
32 not apply to a writ, order, seizure, or other judicial process arising from a
33 judgment for damages for personal injury involving a felony offense for which
34 the beneficiary has been convicted in a federal or state court.

35 (b) As used in this section, “moneys” means a payment made under an
36 insurance policy to compensate:



- 1 (1) The insured or beneficiary for a claim under the policy; or
- 2 (2) The owner, insured, or beneficiary for the cash surrender
- 3 value of the policy.

4 (c) Nothing in this section shall be construed to affect the validity
 5 of any sale, assignment, mortgage, pledge, or hypothecation of a policy of
 6 insurance or the avails, proceeds, or benefits of a policy of insurance.

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8 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 9 General Assembly of the State of Arkansas that certain judgment creditors are
 10 being denied viable avenues of collecting on valid judgments; that judgment
 11 creditors holding a valid judgment should be able to start collecting on, or
 12 exercise all lawful rights to begin the process of collecting on, valid
 13 judgments; that making available to creditors insurance proceeds going to a
 14 beneficiary who committed a felony giving rise to the loss is sound public
 15 policy that should be adopted by this state; and that this act is immediately
 16 necessary because the longer a judgment creditor has to wait to begin
 17 collecting on a valid judgment, the longer justice is delayed. Therefore, an
 18 emergency is declared to exist, and this act being immediately necessary for
 19 the preservation of the public peace, health, and safety shall become
 20 effective on:

- 21 (1) The date of its approval by the Governor;
- 22 (2) If the bill is neither approved nor vetoed by the Governor,
- 23 the expiration of the period of time during which the Governor may veto the
- 24 bill; or
- 25 (3) If the bill is vetoed by the Governor and the veto is
- 26 overridden, the date the last house overrides the veto.