

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1943

By: Representatives Walker, Brown and McGee

For An Act To Be Entitled

"AN ACT TO PROVIDE THAT A PROVISION SHALL BE PLACED IN A LIFE INSURANCE POLICY NOTIFYING THE BENEFICIARY TWENTY-ONE (21) DAYS BEFORE THE POLICY IS TO BE CANCELLED FOR NON-PAYMENT OF THE PREMIUM; TO PROVIDE FOR A PROCEDURE TO MODIFY EXISTING LIFE INSURANCE POLICIES TO INCLUDE THIS PROVISION; TO PROVIDE FOR A PROCEDURE FOR NOTIFYING THE INSURER OF THE BENEFICIARY'S CHANGE OF ADDRESS; AND FOR OTHER PURPOSES."

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

SECTION 1. (a) A provision shall be placed in every life insurance policy issued in this state after the effective date of this Act, at the option of the insured, that the beneficiary of the policy shall receive written notice from the insurer of the cancellation of the life insurance policy for non-payment of the premium. Such notice shall be postmarked no later than fourteen (14) days prior to the cancellation of the policy for failure to pay the premium and sent to the last known address of the beneficiary, as shown by the records of the insurer. Such notice shall be given only (i) after the life insurance policy has been in effect for ten (10) years or more; and (ii) the insured has reached the age of fifty-five (55).

(b) The Insurance Commissioner shall design a form and make this form available to the insured upon request at no charge which shall serve as a change of address for the beneficiary when the insured mails or delivers this properly executed form to the insurer.

SECTION 2. Life insurance policies in effect before the effective date of this act may be modified to include this notice to beneficiary provision by written notice to the insurer. The Insurance Commissioner shall

design a form which shall serve as written notice to the insurer of the desire to include this provision in an existing life insurance policy. The commissioner shall make these forms available upon request at no charge. When an insured mails or delivers a properly executed form to the insurer, it shall constitute a change of address for the beneficiary and the insurer shall thereafter notify the beneficiary at least fourteen (14) days prior to the cancellation of the policy for non-payment of the premium.

SECTION 3. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this act are hereby repealed.