

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4  
5 By: Representative Capp  
6 By: Senator D. Wallace  
7

# A Bill

HOUSE BILL 1391

## For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS PREPAID FUNERAL BENEFITS  
10 LAW; TO CLARIFY THAT CERTAIN LIFE INSURANCE BENEFITS  
11 ARE TO BE VERIFIED WITHIN A CERTAIN AMOUNT OF TIME;  
12 AND FOR OTHER PURPOSES.

## Subtitle

16 TO AMEND THE ARKANSAS PREPAID FUNERAL  
17 BENEFITS LAW; AND TO CLARIFY THAT CERTAIN  
18 LIFE INSURANCE BENEFITS ARE TO BE  
19 VERIFIED WITHIN A CERTAIN AMOUNT OF TIME.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 23-40-112(h), concerning prepaid funeral  
25 benefits contracts that are funded by a whole life insurance policy or  
26 annuity, is amended to read as follows:

27 (h)(1) Each seller shall provide advance written notice to the prepaid  
28 contract purchaser that the seller intends to procure a single payment whole  
29 life insurance policy or annuity on the contract beneficiary to fund the  
30 prepaid funeral benefit contract for less money than the total amount of the  
31 cash payment if:

32 ~~(1)~~(A) The prepaid funeral benefits contract was  
33 originally intended by the contract purchaser to be fully paid in cash; and

34 ~~(2)~~(B) The amount of the single premium payment to the  
35 insurer by the seller is less than the cash payment provided to the seller by  
36 the contract purchaser.



1           (2)(A) An insurer shall verify the benefits for a contract  
 2 beneficiary under a whole life insurance policy or an annuity within twenty-  
 3 four (24) hours from the notification of death of a contract beneficiary by a  
 4 funeral home, a cemetery performing funeral services, or an assignment  
 5 funding company that is contracted by the funeral home or cemetery on behalf  
 6 of a contract beneficiary.

7           (B) Verification of benefits for a contract beneficiary  
 8 under subdivision (h)(2)(A) of this section shall include without limitation:

9                   (i) Whether the deceased is the insured or a  
 10 beneficiary based on a rider on the policy or annuity;

11                   (ii) The death benefit amount under the policy or  
 12 annuity;

13                   (iii) Contestability or reinstatement of the policy  
 14 or annuity;

15                   (iv) Date of birth of the deceased;

16                   (v) Loans or premiums due under the policy or  
 17 annuity;

18                   (vi) Current beneficiaries of record under the  
 19 policy or annuity; and

20                   (vii) Any exclusion that would prevent the benefits  
 21 under the policy or annuity.

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