

State of Arkansas *As Engrossed: H3/6/25 S3/17/25*

95th General Assembly

A Bill

Regular Session, 2025

HOUSE BILL 1488

By: Representative Wardlaw

By: Senator Gilmore

For An Act To Be Entitled

AN ACT TO AMEND THE STANDARD NONFORFEITURE LAW FOR
LIFE INSURANCE; TO REQUIRE AN INSURER TO PAY INTEREST
ON DEFERRED PAYMENT OF ANY CASH SURRENDER VALUE UNDER
CERTAIN POLICIES; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE STANDARD NONFORFEITURE LAW
FOR LIFE INSURANCE; AND TO REQUIRE AN
INSURER TO PAY INTEREST ON DEFERRED
PAYMENT OF ANY CASH SURRENDER VALUE
UNDER CERTAIN POLICIES.

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

SECTION 1. Arkansas Code § 23-81-203(c), concerning the right of an
insurer to defer the payment of any cash surrender value Standard
Nonforfeiture Law for Life Insurance, is amended to read as follows:

*(c) The insurer shall reserve the right to defer the payment of any
cash surrender value for a period of six (6) months after demand therefor
with surrender of the policy, subject to the following:*

(1) The policy death benefit shall remain in full force and
effect until payment is made; and

(2) If payment is not made within thirty (30) days after demand
is made for the surrender of the policy, in addition to the cash surrender
value, the insurer shall pay interest on the cash surrender value at the
prime rate as published in the Wall Street Journal on the day that the demand
is made for surrender of the policy and accruing from the date of surrender



until the cash surrender value is paid in full within the six-month period.

/s/Wardlaw