

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1488

5 By: Representative Wardlaw  
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## For An Act To Be Entitled

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

15 TO AMEND THE STANDARD NONFORFEITURE LAW  
16 FOR LIFE INSURANCE; AND TO REQUIRE AN  
17 INSURER TO PAY INTEREST ON DEFERRED  
18 PAYMENT OF ANY CASH SURRENDER VALUE  
19 UNDER CERTAIN POLICIES.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code § 23-81-203(c), concerning the right of an  
25 insurer to defer the payment of any cash surrender value Standard  
26 Nonforfeiture Law for Life Insurance, is amended to read as follows:

27 (c)(1) The Except as provided under subdivision (c)(2) of this  
28 section, the insurer shall reserve the right to defer the payment of any cash  
29 surrender value for a period of six (6) months after demand therefor with  
30 surrender of the policy.

31 (2) If payment is not made within thirty (30) days after demand  
32 is made for the surrender of the policy, in addition to the cash surrender  
33 value, the insurer shall pay interest on the cash surrender value at the  
34 prime rate as published in the Wall Street Journal on the day that the demand  
35 is made for surrender of the policy and accruing from the date of surrender  
36 until the cash surrender value is paid in full within the six-month period.

