

State of Arkansas

As Engrossed: H4/10/25

95th General Assembly

## A Bill

Regular Session, 2025

SENATE BILL 519

By: Senator J. Boyd

### For An Act To Be Entitled

AN ACT TO AMEND THE STANDARD NONFORFEITURE LAW FOR  
LIFE INSURANCE; TO REGULATE THE PAYMENT OF INTEREST  
ON DEFERRED PAYMENT OF ANY CASH SURRENDER VALUE  
ACCORDING TO THE TERMS OF THE POLICY; AND FOR OTHER  
PURPOSES.

### Subtitle

TO AMEND THE STANDARD NONFORFEITURE LAW  
FOR LIFE INSURANCE; AND TO REGULATE THE  
PAYMENT OF INTEREST ON DEFERRED PAYMENT  
OF ANY CASH SURRENDER VALUE ACCORDING TO  
THE TERMS OF THE POLICY.

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 On and after January 1, 2026, 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 according to  
the terms of the policy, subject to the following:

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

(2) If payment is not made within forty-five (45) 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 at the



rate specified under § 23-81-118 and accruing from the date of surrender  
until the cash surrender value is paid in full within the six-month period.

*/s/J. Boyd*

**APPROVED: 4/21/25**