

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

2 95th General Assembly

# A Bill

3 Regular Session, 2025

HOUSE BILL 1488

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5 By: Representative Wardlaw

6 By: Senator Gilmore

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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

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17 TO AMEND THE STANDARD NONFORFEITURE LAW  
18 FOR LIFE INSURANCE; AND TO REQUIRE AN  
19 INSURER TO PAY INTEREST ON DEFERRED  
20 PAYMENT OF ANY CASH SURRENDER VALUE  
21 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) *The insurer shall reserve the right to defer the payment of any*  
28 *cash surrender value for a period of six (6) months after demand therefor*  
29 *with surrender of the policy*~~+,~~ subject to the following:

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

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



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

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*/s/Wardlaw*

**APPROVED: 3/25/25**