

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 151

5 By: Senator C. Penzo
6 By: Representative Lundstrum
7

For An Act To Be Entitled

9 AN ACT CONCERNING THE TRANSFER OF REAL PROPERTY TO A
10 REVOCABLE LIVING TRUST BY WARRANTY DEED; AND FOR
11 OTHER PURPOSES.
12
13

Subtitle

15 CONCERNING THE TRANSFER OF REAL PROPERTY
16 TO A REVOCABLE LIVING TRUST BY WARRANTY
17 DEED.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is
23 amended to add an additional section to read as follows:

24 23-88-107. Transfer of real property into revocable living trust by
25 warranty deed – Effect of insurance coverage.

26 (a) The transfer of real property into a revocable living trust by
27 warranty deed shall not affect the coverage of title insurance or property
28 and casualty insurance if the settlor of the revocable living trust:

29 (1) Is a beneficiary of the revocable living trust during the
30 lifetime of the settlor; and

31 (2) Remains a beneficiary of the revocable living trust during
32 the lifetime of the settlor.

33 (b) After the transfer of real property into a revocable living trust
34 by warranty deed is effective, the trustee shall be considered insured, and
35 the insurance coverage for the revocable living trust shall be subject to the
36 defenses available to the insurance company under the policy as against the



1 original named insured.

2 (c) If a settlor is a beneficiary of the revocable living trust at the
3 time of the transfer of real property into the revocable living trust by
4 warranty deed, the transfer shall not:

5 (1) Affect the eligibility for the homestead property tax credit
6 under § 26-26-1118 or right of redemption under § 26-37-315; or

7 (2) Accelerate a due-on-sale clause or similar clause under a
8 mortgage or security interest.

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36