2025 Arkansas Insurance Legislation Summary: Life

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This is the fourth and final article in a series of summaries of Insurance legislation from the 95th Arkansas General Assembly.

The 95th Arkansas General Assembly convened on January 13, 2025, and entered into an extended recess on April 16, 2025. The resolution authorizing the extended recess provides for the legislature to reconvene for the following purposes:

- Considering vetoes;
- Correcting errors and oversights;
- Completing its work on proposed constitutional amendments; and
- Considering the need for further extension of the Regular Session of the Ninety-Fifth General Assembly

Acts not carrying an emergency clause or a specified effective date generally take effect on the 91st day following the date of sine die adjournment. The date of sine die adjournment is May 5, 2025. The Arkansas Attorney General has opined that acts without an emergency clause or a specified effective date will become effective on Tuesday, August 5, 2025. Absent the calling of a special session, the General Assembly is not expected to return until April 2026 for a fiscal session.

Legislation of Interest to Life Insurers

A. Passed

1. HB1307 (Act 308) – Amends the Uniform Prudent Management of Institutional Funds Act concerning the standards of conduct in managing and investing in an institutional fund.

2. HB1353 (Act 142) – Regulates vision benefit managers, mandates that vision benefit managers reimburse providers at or above Medicare rates, prohibits required virtual credit card reimbursement to providers, and limits information that vision benefit managers may provide to members about contracted providers.

3. HB1488 (Act 391) – Amends 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. Specifically, the Act requires insurers to pay interest on the cash surrender value of a policy if payment is not made within 30 days after demand is made for the surrender of the policy. Act 391 also requires insurers to pay the death benefit if the insured dies after a surrender is demanded but before the cash surrender value is paid. See also SB519 (Act 958).

4. HB1507 (Act 252) – Amends the law concerning Environmental, Social Justice, or Governance Scores and clarifies that the exemption from divestment for certain investments applies to local as well as state public entities.

5. SB519 (Act 958) – Enacted after Act 1488, amends 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 after January 1, 2026. Specifically, the Act requires insurers to pay interest on the cash surrender value of a policy if payment is not made within 45 days after demand is made for the surrender of the policy. Act 958 also requires insurers to pay the death benefit if the insured dies after a surrender is demanded but before the cash surrender value is.

B. Failed/Defeated/No Action in Committee

1. HB1335 – Would have established the "Every Arkansan Retirement Plan Opportunity Act.

2. HB1351 – Would have established regulatory oversight mechanism for Vision Benefit Managers. See HB1353 (Act 142).

View the first article of the series of summaries of Insurance legislation from the 95th Arkansas General Assembly: 2025 Arkansas Insurance Legislation Summary: General

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