

2021 Arkansas Insurance Legislation Summary: Life Insurance



Derrick Smith
dsmith@mwlaw.com
(501) 688.8845



Martha Hill
mhill@mwlaw.com
(501) 688.8877 (501) 831.3864

06/24/2021

This is the fourth article in a series of summaries of Insurance legislation from the 93rd Arkansas General Assembly.

The 93rd Arkansas General Assembly convened on January 11, 2021 and entered into an extended recess on April 27, 2021. The resolution authorizing the extended recess provides for the legislature to reconvene for the following purposes:

- Considering vetoes;
- Correcting errors and oversights;
- Completing work on congressional redistricting; and
- Considering legislation related to the COVID-19 public health emergency and distribution of COVID-19 relief funds.

The legislature expects to return in the fall to complete congressional redistricting. At least two special sessions are also expected to be called later this year. One special session is expected to consider tax cuts. A second special session is expected to consider changes to the state public employee and teacher health plans.

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. According to the resolution permitting the extended recess, acts not carrying an emergency clause will take effect on the 91st day following the date of recess unless the legislature reconvenes before the expiration of 90 days. The Attorney General has opined that such bills will become effective on July 28, 2021. If the General Assembly reconvenes before the expiration of the 90 days, however, the effective date of bills passed without an emergency clause will be extended by the number of days the legislature is in session.

Legislation of Interest to Life Insurers

A. Passed

1. [HB1601](#) (Act 590) – Reduces the minimum required non-forfeiture rate for individual deferred annuities from 1% to 0.15%.
2. [HB1801](#) (Act 925) – Prohibits changing the designated or named beneficiary of a life insurance policy or annuity contract by will and requires beneficiary changes be made according to the terms of the life insurance policy or annuity contract.

B. Failed/Defeated/No Action in Committee

1. [HB1349](#) – Would have established a state-managed multiple employee voluntary retirement savings plan for eligible employees of certain eligible small employers but failed to pass the Senate after passing the House.
2. [SB112](#) – Would have immunized insurance producers from lawsuits brought by a consumer under the best interest standard governing conduct in the sale or recommendation of an annuity contract under Rule 82 but was not presented.
3. [SB608](#) – Would have required the State Treasurer to create an Arkansas retirement plan portal to connect small businesses with potential investment advisors but was withdrawn from consideration prior to being considered.
4. [SB683](#) – Would have required the State Treasurer to create an Arkansas retirement plan portal to connect small businesses with potential investment advisors but was withdrawn from consideration prior to being presented.

This is the fourth article in a series of summaries of Insurance legislation from the 93rd Arkansas General Assembly.

View the first article of the series: [2021 Arkansas Insurance Legislation Summary: General](#)

View the second article of the series: [2021 Arkansas Insurance Legislation Summary: Property & Casualty](#)

View the third article of the series: [2021 Arkansas Insurance Legislation Summary: Health Insurance](#)

View the fifth article of the series: [2021 Arkansas Insurance Legislation Summary: Arkansas Insurance Business Transfer Act](#)

View the sixth article of the series: [2021 Arkansas Insurance Legislation Summary: Act 925 Prohibits Life Insurance/Annuity Beneficiary Change through Will](#)