

# 2021 Arkansas Insurance Legislation Summary: Act 925 Prohibits Life Insurance/Annuity Beneficiary Change through Will



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*This is the sixth and final article in a series of summaries of Insurance legislation from the 93rd Arkansas General Assembly.*

In a surprising move, the Arkansas General Assembly overrode long-standing Arkansas common law that permits an insured to change a beneficiary of an insurance policy via will. On April 26, 2021, Governor Asa Hutchison signed HB1801 ([Act 925](#)) that expressly prohibits changing the designated or named beneficiary of a life insurance policy or annuity contract by will and requires beneficiary changes to be made in compliance with the terms of the life insurance policy or annuity contract.

The rule in the vast majority of states is that an insured must follow the method stated in a life insurance policy for changing a beneficiary. Since 1937, however, Arkansas law has held that a beneficiary change can be accomplished by will as long as the will is sufficiently specific to identify the insurance policy involved and indicate an intent to change the beneficiary.<sup>[1]</sup> The Arkansas Court of Appeals has also suggested that the beneficiary of an individual retirement account may be changed by will.<sup>[2]</sup> One example of a will deemed sufficient to change the beneficiary in a life insurance policy stated:

I hereby give and bequeath all of my right, title and interest whatsoever to any proceeds derived from any insurance policy on my life to my father, Robert M. McKamie, regardless of my having earlier designated Kindell McKamie (aka Kindell Whisenant). Specifically, it is my intent because of my divorce from Kindell McKamie (aka Kindell Whisenant) that she be disinherited under any such life insurance policy which was purchased by my brother, John Odom. In other words, my intent as to the disposition of such life insurance proceeds is within this Last Will and Testament, and as such, it shall take precedence over any other beneficiary designations made by me in favor of my former spouse, Kindell McKamie (aka Kindell Whisenant).<sup>[3]</sup>

Act 925 is expected to become effective on July 28, 2021.

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[1] *Pedron v. Olds*, 193 Ark. 1026, 105 S.W.2d 70 (1937); see also *Allen v. First National Bank*, 261 Ark. 230, 547 S.W.2d 118 (1977)

[2] *Nunnenman v. Estate of Grubbs*, 2010 Ark. App. 75, 374 S.W.3d 75 (2010).

[3] *Whisenant v. McKamie*, [2018 Ark. App. 87](#), [543 S.W.3d 528](#), 529 (2018).