

ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

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For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Arkansas Insurance Department

Department Legal Division

Contact Amanda Gibson E-mail amanda.gibson@arkansas.gov Phone (501) 371-2836

Statutory Authority for Promulgating Rules Ark. Code Ann. §§ 23-40-112(h); 23-61-108; and 25-15-204

Rule Title: Rule 105 Verification of Life Insurance Benefits

Intended Effective Date
(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other _____
(Must be more than 10 days after filing date.)

Legal Notice Published

Final Date for Public Comment

Reviewed by Legislative Council

Adopted by State Agency

Date

Feb. 21, 22, 23, 2020

March 30, 2020

May 15, 2020

May 15, 2020

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Amanda Gibson

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May 20, 2020

Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

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Phone Number

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Associate Counsel

Title

May 20, 2020

Date

RULE 105
VERIFICATION OF LIFE INSURANCE BENEFITS

Table of Contents

Section 1.	Authority
Section 2.	Purpose
Section 3.	Requirements
Section 4.	Penalties
Section 5.	Effective Date

Section 1. Authority

This Rule is promulgated pursuant to Section Two (2) of Act 500 of 2019 of the Arkansas General Assembly, codified in Ark. Code Ann. § 23-40-112(h); authority is also found in Ark. Code Ann. § 23-61-108, Ark. Code Ann. § 25-15-204, and other applicable laws or rules.

Section 2. Purpose

The purpose of this Rule is to establish the process by which an insurer who has issued a whole life insurance policy or annuity which funds a prepaid funeral benefits contract, must verify benefits for a contract beneficiary.

Section 3. Requirements

An insurer who has issued a whole life insurance policy or annuity which funds a prepaid funeral benefits contract shall verify the benefits of the contract beneficiary within three (3) business days from the receipt of a notification of death of a contract beneficiary and a request for verification of benefits. The three (3) day timeframe applies whether the request for verification of benefits is made by an owner, beneficiary, or assignee, or the authorized representative of the owner, beneficiary, or assignee.

The insurer is required to verify benefits, without limitation, in the following circumstances:

- A. Whether the deceased is a covered person under the policy or annuity;
- B. The death benefit amount under the policy or annuity; and
- C. Whether the policy or annuity is in the contestability period.

Section 4. Penalties

The commissioner may impose a fine not to exceed five hundred dollars (\$500) for each failure to provide the verification required by this Rule and Ark. Code Ann. § 23-40-112(h), and not more than five thousand dollars (\$5,000) in the aggregate.

Section 5. Effective Date

This Rule shall apply to all insurers who have issued whole life insurance policies and annuities which fund prepaid funeral benefits contracts. This Rule is effective after review and approval by the Arkansas Legislative Council, ten (10) days after filing of the approved Rule with the Arkansas Secretary of State.



ALAN MCCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS



DATE