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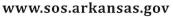


Transmittal Sheet

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

Secretary of State John Thurston

500 Woodlane, Suite 026 Little Rock, Arkansas 72201-1094 (501) 682-5070





For Office		
Use Only: Effective Date	Code Number	
A-1	- D	
Name of Agency Arkansas Insurance	e Department	
Department Legal Division		
Contact Amanda Gibson	E-mail_amanda.gibson@arkansas.gov_Phone_(501) 371-2836
Statutory Authority for Promulgating Rul	es Ark. Code Ann. §§ 23-40-112(h); 23-61-1	08; and 25-15-204
Rule Title: Rule 105 Verific	ation of Life Insurance Benefits	
Intended Effective Date		Date
(Check One) Emergency (ACA 25-15-204)	Legal Notice Published	Feb. 21, 22, 23, 2020
10 Days After Filing (ACA 25-15-204)	Final Date for Public Comment	March 30, 2020
Other (Must be more than 10 days after filing date.)	Reviewed by Legislative Council	May 15, 2020
	Adopted by State Agency	May 15, 2020
Electronic Copy of Rule e-mailed from: (Require	ed under ACA 25-15-218)	
Amanda Gibson amanda		/lay 20, 2020
Contact Person	E-mail Address	Date
	ON OF AUTHORIZED OFFICER	
	fy That The Attached Rules Were Adopted kansas Administrative Act. (ACA 25-15-201 et. seq.)	
	l Plan	
	Signature	
(501) 371-2836 Phone Number	amanda.gibson@arkansas.gov E-mail Address	
Associate Counse		
M20, 2020	Title	
May 20, 2020	Date	

RULE 105 VERIFICATION OF LIFE INSURANCE BENEFITS

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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