HOUSE BILL 119

C42lr0453 CF SB 164 (PRE-FILED) By: Delegate Qi Requested: September 10, 2021 Introduced and read first time: January 12, 2022 Assigned to: Health and Government Operations Committee Report: Favorable House action: Adopted Read second time: February 15, 2022 CHAPTER AN ACT concerning Insurance - Annuities - Nonforfeiture - Interest Rate FOR the purpose of altering the minimum interest rate used to determine minimum nonforfeiture amounts for annuity contracts; and generally relating to annuities and nonforfeiture. BY repealing and reenacting, with amendments, Article – Insurance Section 16-504 Annotated Code of Maryland (2017 Replacement Volume and 2021 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: Article - Insurance 16-504.The minimum values specified under §§ 16-505 through 16-509 of this subtitle of any paid-up annuity, cash surrender, or death benefits under an annuity contract shall be based on minimum nonforfeiture amounts calculated under this section. (b) At any time before or at the start of any annuity payments, the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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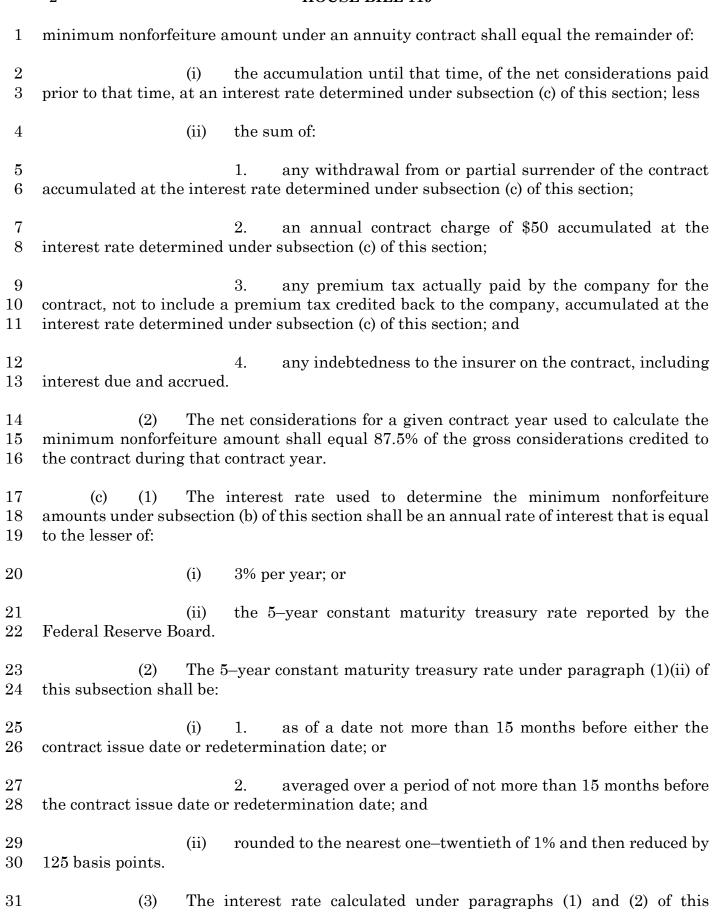
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Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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subsection may not be less than [1%] **0.15**%.



1 2	subsection:	(4)	(i)	The interest rate calculated under paragraphs (1) and (2) of this		
3				1. shall apply to the initial contract period; and		
4				2. may be redetermined for additional periods.		
5			(ii)	The contract shall state:		
6				1. whether the interest rate will be redetermined; and		
7 8	if any.			2. the interest rate redetermination date, basis, and period,		
9 10 11 12	(d) (1) During the period that a contract provides for substantive participation in an equity index benefit, the insurer may increase the 125 basis points under subsection (c)(2)(ii) of this section up to an additional 100 basis points to reflect the value of the equity index benefit.					
13 14 15	present value of the additional reduction may not exceed the market value of the equity					
16 17 18	(3) (i) The Commissioner may require the insurer to demonstrate that the present value of the additional reduction does not exceed the market value of the equity index benefit.					
19 20 21						
22 23	(e) of this section	(1) on.	The (Commissioner may adopt regulations to implement the provisions		
24		(2)	The r	regulations under paragraph (1) of this subsection may provide for:		
25 26	amount for o	contra	(i) cts tha	adjustments to the calculation of the minimum nonforfeiture at provide substantive participation in an equity index benefit; and		
27 28	Commission	er.	(ii)	adjustments for other contracts as determined by the		
29	SECT	'ION	2. ANI	D BE IT FURTHER ENACTED, That this Act shall apply to all		

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect

annuities and annuity contracts issued on or after October 1, 2022.

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	4	HOUSE BILL 119
1	October 1, 2022.	

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.