C4(PRE-FILED) **CF HB 119** 

By: Senator Feldman

Requested: September 9, 2021

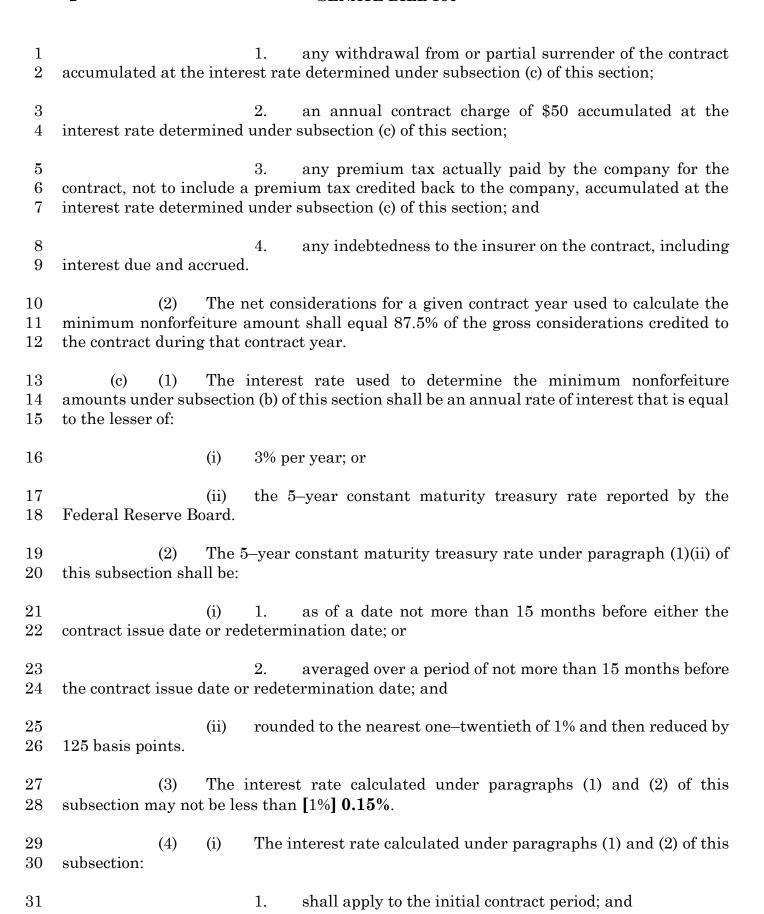
Introduced and read first time: January 12, 2022

Assigned to: Finance

	A BILL ENTITLED				
1	AN ACT concerning				
2	Insurance - Annuities - Nonforfeiture - Interest Rate				
3 4 5	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.				
6 7 8 9 10	BY repealing and reenacting, with amendments, Article – Insurance Section 16–504 Annotated Code of Maryland (2017 Replacement Volume and 2021 Supplement)				
11 12	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND That the Laws of Maryland read as follows:				
13	Article – Insurance				
14	16-504.				
15 16 17	(a) 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.				
18 19	(b) (1) At any time before or at the start of any annuity payments, the minimum nonforfeiture amount under an annuity contract shall equal the remainder of:				
20 21	(i) the accumulation until that time, of the net considerations paid prior to that time, at an interest rate determined under subsection (c) of this section; less				
22	(ii) the sum of:				



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1		2.	may be redetermined for additional periods.	
2	(ii)	The c	contract shall state:	
3		1.	whether the interest rate will be redetermined; and	
4 5	if any.	2.	the interest rate redetermination date, basis, and period,	
6 7 8 9	(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.			
10 11 12	(2) On the issue date of the contract, and on each redetermination date, the present value of the additional reduction may not exceed the market value of the equity index benefit.			
13 14 15	(3) (i) the present value of the a index benefit.		Commissioner may require the insurer to demonstrate that nal reduction does not exceed the market value of the equity	
16 17 18	(ii) subparagraph (i) of this p the additional reduction.	paragr	e Commissioner finds that the demonstration under aph is inadequate, the Commissioner may disallow or limit	
19 20	(e) (1) The Of this section.	Commi	ssioner may adopt regulations to implement the provisions	
21	(2) The r	egulat	ions under paragraph (1) of this subsection may provide for:	
22 23	(i) amount for contracts tha	•	tments to the calculation of the minimum nonforfeiture de substantive participation in an equity index benefit; and	
24 25	(ii) Commissioner.	adjus	tments for other contracts as determined by the	
26 27			T FURTHER ENACTED, That this Act shall apply to all s issued on or after October 1, 2022.	
28 29	SECTION 3. ANI October 1, 2022.	) BE I	T FURTHER ENACTED, That this Act shall take effect	