

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1601

By: Representative Evans

By: Senator Irvin

For An Act To Be Entitled

AN ACT TO MODIFY THE MINIMUM REQUIRED NONFORFEITURE RATE FOR INDIVIDUAL DEFERRED ANNUITIES UNDER THE STANDARD NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED ANNUITIES; AND FOR OTHER PURPOSES.

Subtitle

TO MODIFY THE MINIMUM REQUIRED NONFORFEITURE RATE FOR INDIVIDUAL DEFERRED ANNUITIES UNDER THE STANDARD NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED ANNUITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-81-304(e)(2), concerning the interest rate used in determining minimum nonforfeiture amounts under the Standard Nonforfeiture Law for Individual Deferred Annuities, is amended to read as follows:

(2) The interest rate used in determining minimum nonforfeiture amounts shall be an annual rate of interest equal to the lesser of:

(A) Three percent (3%) per annum; or

(B) The following rate, which shall be specified in the contract if the interest rate is reset:

(i) The five-year Constant Maturity Treasury Rate reported by the Federal Reserve System as of a date or average over a period rounded to the nearest one-twentieth of one percent (.05%) that is specified



in the contract no longer than fifteen (15) months ~~prior to~~ before the contract issue date or redetermination date under subdivision (e)(3) of this section, reduced by one hundred twenty-five (125) basis points; and

(ii) The resulting interest rate shall not be less than ~~one percent (1%)~~ fifteen-hundredths of one percent (0.15%).

APPROVED: 4/6/21