

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 22-91—SB 359

Insurance and Real Estate Committee

**AN ACT CONCERNING THE INSURANCE DEPARTMENT'S
RECOMMENDATIONS REGARDING THE STANDARD
NONFORFEITURE LAW FOR LIFE INSURANCE**

SUMMARY: This act lowers, from 1% to 0.15%, the floor of the guaranteed minimum interest rate that is used to calculate nonforfeiture benefit amounts for annuity contracts, including any available cash surrender or death benefits. It conforms this provision of state law to the National Association of Insurance Commissioners model act guidance for the minimum interest rate (NAIC MO-805).

If an annuity contract holder decides to terminate their contract or stop paying premiums, a nonforfeiture contract clause entitles them to a specified amount of the annuity's cash value accumulation, instead of losing or forfeiting the entire value of premiums they have already paid.

EFFECTIVE DATE: October 1, 2022, and applicable to policies delivered, issued, renewed, amended, or continued on or after that date.