

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1147

Introduced by Bostar, 29.

Read first time January 11, 2024

Committee:

- 1 A BILL FOR AN ACT relating to insurance; to provide certain requirements
- 2 and exceptions relating to index-linked variable annuities.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) For purposes of this section, an index-linked
2 variable annuity is a variable annuity exempt from the Standard
3 Nonforfeiture Law for Individual Deferred Annuities that includes index-
4 linked crediting features, either in the contract or added to such
5 contract by rider, endorsement, or amendment, that credit interest based
6 on the performance of an index, subject to index parameters including,
7 but not limited to, caps, participation rates, spreads or margins,
8 trigger or step rates, or other crediting elements, and may lose value
9 subject to limitations including, but not limited to, a floor or a
10 buffer. An index-linked variable annuity may be combined in a single
11 contract with a variable annuity with unitized separate accounts, a fixed
12 annuity, or both.

13 (2) Notwithstanding section 44-2212, a separate investment account
14 established to hold assets of index-linked variable annuity contracts may
15 be uninsulated and chargeable with any liabilities arising out of any
16 other separate investment account or any other business of the company
17 which has no specific and determinable relation to or dependence upon
18 such separate account.

19 (3) If a separate investment account established to hold assets of
20 index-linked variable annuity contracts is uninsulated, then the
21 following provisions shall apply:

22 (a) Notwithstanding section 44-402.02, such separate account is not
23 required to have the income, gains, and losses, realized or unrealized,
24 from assets allocated to such account credited to or charged against such
25 account;

26 (b) Notwithstanding section 44-402.03, amounts allocated to such
27 separate account and accumulations thereon must be invested and
28 reinvested in accordance with the requirements or limitations prescribed
29 by the laws of this state governing the investments of life insurance
30 companies and the investments in such separate account or accounts shall
31 be taken into account in applying investment limitations otherwise

1 applicable to investments of such company;

2 (c) Notwithstanding sections 44-402.03 and 44-2213, assets, other
3 than derivatives, may be held by such separate account, and transferred
4 between the general account and such separate account, at book value or
5 market value; and

6 (d) Notwithstanding subdivision (1) of section 44-5103, the assets
7 of such separate account are admitted assets.