

HOUSE BILL NO. HB0170

Annuity minimum nonforfeiture amount.

Sponsored by: Representative(s) Prosser

A BILL

for

1 AN ACT relating to insurance; modifying minimum  
2 nonforfeiture amounts for annuity contracts as specified;  
3 and providing for an effective date.

4

5 *Be It Enacted by the Legislature of the State of Wyoming:*

6

7 **Section 1.** W.S. 26-16-404(b) is amended to read:

8

9 **26-16-404. Minimum nonforfeiture amounts upon which**  
10 **certain minimum values are to be based.**

11

12 (b) For contracts providing for flexible  
13 considerations, minimum nonforfeiture amounts shall be  
14 governed by the following:

15

1           (i) The provisions of this paragraph apply to  
2 contracts issued before July 1, 2003. The minimum  
3 nonforfeiture amount at any time at or prior to the  
4 commencement of any annuity payments shall be equal to an  
5 accumulation up to that time at a rate of interest of three  
6 percent (3%) per annum of percentages of the net  
7 considerations paid prior to that time decreased by the sum  
8 of any prior withdrawals from or partial surrenders of the  
9 contract accumulated at a rate of interest of three percent  
10 (3%) per annum and the amount of any indebtedness to the  
11 company on the contract, including interest due and  
12 accrued, and increased by any existing additional amount  
13 the company credits to the contract. The net considerations  
14 for a given contract year used to define the minimum  
15 nonforfeiture amount shall be an amount not less than zero  
16 and shall be equal to the corresponding gross  
17 considerations credited to the contract during that  
18 contract year less an annual contract charge of thirty  
19 dollars (\$30.00) and less a collection charge of one dollar  
20 and twenty-five cents (\$1.25) per consideration credited to  
21 the contract during that contract year. The percentages of  
22 net considerations shall be sixty-five percent (65%) of the  
23 net consideration for the first contract year and eighty-  
24 seven and one-half percent (87 1/2%) of the net

1 considerations for the second and later contract years.  
2 Notwithstanding the immediately preceding sentence, the  
3 percentage shall be sixty-five percent (65%) of the portion  
4 of the total net consideration for any renewal contract  
5 year which exceeds by not more than two (2) times the sum  
6 of those portions of the net considerations in all prior  
7 contract years for which the percentage was sixty-five  
8 percent (65%);

9  
10 (ii) For contracts issued on or after July 1,  
11 2003, the provisions of paragraph (i) of this subsection  
12 apply, except that the minimum nonforfeiture amount shall  
13 be based upon a rate of interest of one and one-half  
14 percent (1.5%) per annum.

15

16 **Section 2.** This act is effective July 1, 2003.

17

18

(END)