

**State Corporation Commission
2003 Fiscal Impact Statement**

1. Bill Number HB2609

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Bryant

3. Committee Passed House

4. Title Annuity contracts; minimum interest rate.

5. Summary/Purpose: Reduces the minimum interest rate on individual deferred annuities issued by insurance companies between the date the measure becomes effective and July 1, 2005, from 3 percent to 1.5 percent per year. The interest rate applies to minimum nonforfeiture amounts applicable to net considerations, partial withdrawals, and partial surrenders. The measure has an emergency clause, and will expire on July 1, 2005.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary : No

8. Fiscal implications : None

9. Specific agency or political subdivision affected : State Corporation Commission Bureau of Insurance

10. Technical amendment necessary : The Bureau of Insurance requested the patron and interested parties to create a subsection D in § 38.2-3221 to place clarifying language in the statute, in addition to the emergency enactment clause, to state that the bill is applicable to any contract issued on or after April 1, 2003 and before July 1, 2005.

11. Other comments: No

Date: 01/24/03/V. Tompkins

cc: Secretary of Commerce and Trade