

State Corporation Commission
2003 Fiscal Impact Statement

1. Bill Number HB2609

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

2. Patron Bryant

3. Committee Senate Commerce and Labor

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. The January 16, 2003 amendment in the nature of a substitute to the bill creates 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.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary : No

8. Fiscal implications : None

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

10. Technical amendment necessary: No

11. Other comments : The State Corporation Commission Bureau of Insurance requested the patron to add subsection D, which was the basis of the January 16, 2003 amendment in the nature of a substitute to House Bill 2609. The bill passed the House on January 22, 2003, with a 99 -0 vote. The bill has an emergency clause.

Date: 01/24/03/V . Tompkins

cc: Secretary of Commerce and Trade