

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 38.2-3115 of the Code of Virginia, relating to interest on life insurance*
3 *and annuity contract proceeds.*

4 [S 86]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 38.2-3115 of the Code of Virginia is amended and reenacted as follows:**8 **§ 38.2-3115. Interest on life insurance and annuity contract proceeds.**

9 A. If an action to recover the proceeds due under a life insurance policy or annuity contract results
10 in a judgment against the insurer, interest on the judgment at the legal rate of interest shall be paid from
11 (i) the date of presentation to the insurer of proof of death on a life insurance policy or annuity contract
12 or (ii) the date of maturity of an endowment policy to the date judgment is entered.

13 B. If no action is brought, interest upon the principal sum paid to the beneficiary or policyowner
14 shall be computed daily at an annual rate of ~~2 1/2~~ *two and one-half* percent or at the annual rate
15 currently paid by the insurer on proceeds left under the interest settlement option, whichever is greater,
16 commencing (i) from the date of death on a life insurance policy or annuity contract claim ~~and~~; (ii)
17 *from the date of receipt of a completed claim form on a variable annuity contract claim; or (iii) from*
18 *the date of maturity of an endowment contract to the date of payment. The interest shall be added to*
19 *and become a part of the total sum payable.*

20 C. No insurer shall be required to pay interest computed under this section if the total interest is less
21 than five dollars.

22 D. This section shall not apply to (i) credit life insurance for which the premium is paid wholly from
23 funds of the creditor with no specific identifiable charge being made to insureds for the insurance and
24 upon which post-death interest on the indebtedness is waived by the creditor in an amount at least equal
25 to the amount of interest that would otherwise be payable under this section; (ii) credit life insurance
26 payable in whole or in part to a creditor that is an affiliate, as defined in § 13.1-725, of the insurer and
27 that does not charge interest on the indebtedness from the date of death of the insured; or (iii) policies
28 or contracts issued prior to July 1, 1977, but shall apply to any renewals or reissues of group life
29 insurance policies or contracts occurring after that date.

ENROLLED

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