
OLR Bill Analysis

SB 359 (File 187, as amended by Senate "A")*

***AN ACT CONCERNING THE INSURANCE DEPARTMENT'S
RECOMMENDATIONS REGARDING THE STANDARD
NONFORFEITURE LAW FOR LIFE INSURANCE.***

SUMMARY

This bill lowers, from 1% to 0.15%, the minimum interest rate that may be used to determine the nonforfeiture amount for annuity contracts, including cash surrender or death benefits available under an annuity. It conforms state law to the National Association of Insurance Commissioners model act guidance.

If an annuity contract holder decides to terminate their contract or stop paying premiums, a nonforfeiture contract clause entitles the contract holder to a specified amount of the annuity's cash value accumulation, instead of the contract holder losing or forfeiting the entire value of premiums that have already been paid.

*Senate Amendment "A" makes the bill applicable to policies delivered, issued, renewed, amended, or continued on or after October 1, 2022.

EFFECTIVE DATE: October 1, 2022, and applicable to policies delivered, issued, renewed, amended, or continued on or after that date.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 16 Nay 0 (03/17/2022)