

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 735

4
5 By: Senator T. Smith
6 By: Representative Napper

For An Act To Be Entitled

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10 AN ACT TO AMEND CERTAIN PROVISIONS OF THE
11 ARKANSAS STANDARD NONFORFEITURE LAW FOR
12 INDIVIDUAL DEFERRED ANNUITIES; AND FOR OTHER
13 PURPOSES.

Subtitle

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16 AN ACT TO AMEND CERTAIN PROVISIONS OF
17 THE ARKANSAS STANDARD NONFORFEITURE LAW
18 FOR INDIVIDUAL DEFERRED ANNUITIES.

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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. Arkansas Code § 23-81-304(b)(1)(A) is amended to read as
24 follows:

25 (b)(1)(A) With respect to contracts providing for flexible
26 considerations, the minimum nonforfeiture amount at any time at or prior to
27 the commencement of any annuity payments shall be equal to an accumulation up
28 to such time at a rate of interest of ~~three percent (3%)~~ one and one-half
29 percent (1.5%) per annum of percentages of the net considerations paid prior
30 to the time, decreased by the sum of:

31 (i) Any prior withdrawals from or partial surrenders
32 of the contract accumulated at a rate of interest of ~~three percent (3%)~~ one
33 and one-half percent (1.5%) per annum; and

34 (ii) The amount of any indebtedness to the insurer
35 on the contract, including interest due and accrued and increased by any
36 existing additional amounts credited by the insurer to the contract.



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SECTION 2. Arkansas Code § 23-81-308 is amended to read as follows:
23-81-308. Maturity date.

(a) For the purpose of determining the benefits calculated under §§ 23-81-306 and 23-81-307, in the case of annuity contracts under which an election may be made to have annuity payments commence at optional maturity dates, the maturity date shall be deemed to be the latest date for which election shall be permitted by the contract. This date shall not be deemed to be later than the anniversary of the contract next following the annuitant's seventieth birthday or the tenth anniversary of the contract, whichever is later.

(b) This section does not apply to annuities funding funeral and related expenses.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the present Standard Nonforfeiture Law for Individual Deferred Annuities places an undue economic burden on insurance companies that provide such products and could affect the financial stability of such companies and without change, the law as it is presently written could be detrimental to the Arkansas insurance consumer and could limit the types of annuities available to Arkansas residents. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.