

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1601

5 By: Representative Evans
6 By: Senator Irvin
7

For An Act To Be Entitled

9 AN ACT TO MODIFY THE MINIMUM REQUIRED NONFORFEITURE
10 RATE FOR INDIVIDUAL DEFERRED ANNUITIES UNDER THE
11 STANDARD NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED
12 ANNUITIES; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 TO MODIFY THE MINIMUM REQUIRED
16 NONFORFEITURE RATE FOR INDIVIDUAL
17 DEFERRED ANNUITIES UNDER THE STANDARD
18 NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED
19 ANNUITIES.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 23-81-304(e)(2), concerning the interest
26 rate used in determining minimum nonforfeiture amounts under the Standard
27 Nonforfeiture Law for Individual Deferred Annuities, is amended to read as
28 follows:

29 (2) The interest rate used in determining minimum nonforfeiture
30 amounts shall be an annual rate of interest equal to the lesser of:

31 (A) Three percent (3%) per annum; or

32 (B) The following rate, which shall be specified in the
33 contract if the interest rate is reset:

34 (i) The five-year Constant Maturity Treasury Rate
35 reported by the Federal Reserve System as of a date or average over a period
36 rounded to the nearest one-twentieth of one percent (.05%) that is specified



1 in the contract no longer than fifteen (15) months ~~prior to~~ before the
2 contract issue date or redetermination date under subdivision (e)(3) of this
3 section, reduced by one hundred twenty-five (125) basis points; and

4 (ii) The resulting interest rate shall not be less
5 than ~~one percent (1%)~~ fifteen-hundredths of one percent (0.15%).

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8 **APPROVED: 4/6/21**
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