

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB373

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: January 25, 2021

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Nebraska Standard Nonforfeiture Law for Individual Deferred Annuities, Neb. Rev. Stat. § 44-407.14, provides the calculation an insurer follows when determining the cash value of an annuity when surrendered prior to the commencement of annuity payments. LB 373 would change the interest rate floor in the statute from one percent to fifteen basis points.

The National Association of Insurance Commissioners (NAIC) approved the interest rate change to the NAIC model standard nonforfeiture law for individual deferred annuities during their December 2020 national meeting.

Principal Introducer: _____

Senator Rich Pahls