



HOUSE BILL 366: Regulatory Reform Act of 2021, Sec. 8B: Nonforfeiture Interest Guarantee Change

2021-2022 General Assembly

Committee:		Date:	February 23, 2022
Introduced by:		Prepared by:	Kyle Evans Staff Attorney
Analysis of:	Sec. 8B of S.L. 2021-117		

OVERVIEW: Section 8B of S.L. 2021-117 reduces the minimum nonforfeiture interest rate guarantee percentage from 1% to 0.15%.

This section became effective August 23, 2021.

PRIOR LAW/BILL ANALYSIS:

The minimum nonforfeiture rate is the minimum interest rate guarantee that an insurance company can use in an individual fixed annuity contract to determine its cash value. Prior to the enactment of S.L. 2021-117, G.S. 58-58-61(e) established that the minimum nonforfeiture rate is the lesser of 3% or the five-year Constant Maturity Treasury Rate reduced by 125 basis points where the resulting interest guarantee is not less than 1%.

Section 8B of S.L. 2021-117 reduces the resulting interest guarantee percentage from 1% to 0.15%.

EFFECTIVE DATE: This section became effective August 23, 2021.

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