

The House Committee on Insurance offered the following substitute to SB 166:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 33-28-3 of the Official Code of Georgia Annotated, relating to
2 standard nonforfeiture provisions for individual deferred annuities, so as to provide for a
3 minimum nonforfeiture rate of 1 1/2 percent on individual deferred annuities; to provide for
4 a sunset to such provision; to provide for applicability; to repeal conflicting laws; and for
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 33-28-3 of the Official Code of Georgia Annotated, relating to standard
9 nonforfeiture provisions for individual deferred annuities, is amended by striking paragraph
10 (1) of subsection (d) and inserting in lieu thereof a new paragraph (1) to read as follows:

11 "(1) With respect to contracts providing for flexible considerations, the minimum
12 nonforfeiture amount at any time at or prior to the commencement of any annuity
13 payments shall be equal to an accumulation up to such time at a rate of interest of ~~3~~ 1 1/2
14 percent per annum of percentages of the net considerations as defined in paragraph (2)
15 of this subsection paid prior to such time, decreased by the sum of any prior withdrawals
16 from or partial surrenders of the contract accumulated at a rate of interest of ~~3~~ 1 1/2
17 percent per annum and the amount of any indebtedness to the company on the contract,
18 including interest due and accrued, and increased by an existing additional amount
19 credited by the company to the contract; provided that, on July 1, 2005, the rates of
20 interest provided for in this paragraph shall increase from 1 1/2 percent per annum to 3
21 percent per annum and provided further that nothing in this paragraph shall impair or alter
22 the provisions of any annuity contract in existence on the effective date of this Act;".

23 **SECTION 2.**

24 This Act shall become effective upon its approval by the Governor or upon its becoming law
25 without such approval.

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SECTION 3.

2 All laws and parts of laws in conflict with this Act are repealed.