

State Corporation Commission

2022 Fiscal Impact Statement

1. Bill Number: HB 44

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Ware

3. Committee: Passed both houses

4. Title: Standard nonforfeiture provisions for life insurance; minimum nonforfeiture amounts.

5. Summary: Decreases the minimum nonforfeiture interest rate amount from one percent to 0.15 percent.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Final. See Item 8.

8. Fiscal Implications: No fiscal impact is anticipated to the State Corporation Commission as a result of this bill.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: House Bill 44 was introduced by its patron at the request of the State Corporation Commission. For deferred annuity products to be viable, a life insurance company that sells annuities must be able to earn rates on their own investments that are higher than rates they pay to annuity holders. In the current low interest rate environment, making this change will make it more likely that these types of annuities will continue to be offered in Virginia.

Date: 03/04/22/ V. Tompkins