

LAWS OF DELAWARE  
VOLUME 83  
CHAPTER 105  
151st GENERAL ASSEMBLY  
FORMERLY  
HOUSE BILL NO. 3

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO STANDARD  
NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED ANNUITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 2929A (d) (5)b.1.C. of Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underlining as follows:

§ 2929A Standard nonforfeiture law; individual deferred annuities

(d) The minimum values as specified in subsections (e), (f), (g), (h) and (j) of this section of any paid-up annuity, cash surrender or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this subsection:

(5) The minimum values as specified in paragraphs (e), (f), (g), (h) and (j) of this section of any paid-up annuity, cash surrender, or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this paragraph.

b.1. The interest rate used in determining minimum nonforfeiture amounts shall be an annual rate of interest determined as the lesser of 3% per annum and paragraphs (d)(5)b.1.A. through C. of this section as follows, which must be specified in the contract if the interest rate will be reset:

A. the 5-year Constant Maturity Treasury Rate reported by the Federal Reserve as of a date, or as an average over a period, rounded to the nearest 1/20<sup>th</sup> of 1% specified in the contract no longer than 15 months prior to the contract issue date or redetermination date under paragraph (d)(5)b.2. of this section;

B. Reduced by 125 basis points;

C. Where the resulting interest rate is not less than ~~4%~~ 0.15%.

Section 2. Application

This Act shall apply only to annuity products delivered or issued for delivery in this State on or after the effective date.

Section 3. Effective Date.

This Act shall take effect upon enactment.

Approved July 30, 2021