

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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District of
Columbia
Official Code*

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To amend section 5c(c)(1)(A) of Chapter V of the Life Insurance Act to change the interest rate for calculating the minimum nonforfeiture amount for life insurance annuities from 3% to 1.5% because the 3% interest rate for cash surrender benefits is incompatible with the current low interest rate environment.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Standard Valuation and Nonforfeiture Amendment Act of 2003".

Sec. 2. Section 5c(c)(1) of Chapter V of the Life Insurance Act, effective October 13, 1978 (D.C. Law 2-120; D.C. Official Code § 31-4705.03(c)(1)), is amended as follows:

Amend
§ 31-4705.03

(a) Subparagraph (A) is amended by striking the phrase "3 per centum per annum" wherever it appears and inserting the phrase "1.5% per year" in its place.

(b) A new subparagraph (A-1) is added to read as follows:

"(A-1) Notwithstanding the interest rate of 1.5% per year used to calculate the minimum nonforfeiture amount under subparagraph (A) of this paragraph, the Mayor shall issue regulations which shall set forth the computation of the interest rate used to determine the minimum nonforfeiture amount. The regulations shall apply to any contract issued on or after the effective date of the regulations."

Sec. 3. Rulemaking.

The Commissioner shall issue rules and regulations to implement this act within 120 days of the effective date of this act.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia