

1973 Senate Bill 550

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CHAPTER 303, Laws of 1973

AN ACT to amend 206.201 (2) (intro.) and 208.28 (2); and to create 206.181 (6) (d) and 206.201 (2a) and (2b) of the statutes, relating to nonforfeiture values and valuation requirements for life insurance and annuity contracts.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 206.181 (6) (d) of the statutes is created to read:

206.181 (6) (d) A rate of interest not exceeding 4% per annum may be used for ordinary policies or industrial policies, or both, issued on or after the effective date of this act (1973) and before January 1, 1986, in lieu of the rate referred to in pars. (b) and (c).

SECTION 2. 206.201 (2) (intro.) of the statutes is amended to read:

206.201 (2) (intro.) The Except as provided in sub. (2a), the minimum standard for the valuation of all such policies and contracts issued prior to the effective date of this section [see ~~206.201 (8) sub. (8)~~ and 206.181 (9)] shall be that provided by the laws in effect immediately prior to such date. The Except as provided in sub. (2a), the minimum standard for the valuation of all such policies and contracts issued on or after the effective date of this section shall be the Commissioners reserve valuation method defined in ~~subsections subs. (3) and (4), with 3-1/2 per cent~~ 3-1/2% interest, or in the case of policies and contracts, other than annuity and pure endowment contracts, issued on or after the effective date of this act (1973) and prior to January 1, 1986, 4% interest, and the following tables:

SECTION 3. 206.201 (2a) and (2b) of the statutes are created to read:

206.201 (2a) The minimum standard for the valuation of all individual annuity and pure endowment contracts issued on or after the operative date of this subsection, as defined in sub. (2b), and for all annuities and pure endowments purchased on or after such operative date under group annuity and pure endowment contracts, shall be the commissioners reserve valuation method defined in subs. (3) and (4) and the following tables and interest rates:

(a) For individual annuity and pure endowment contracts issued prior to January 1, 1986, excluding any disability and accidental death benefits in such contracts -- the 1971 individual annuity mortality table, or any modification of this table approved by the commissioner, and 6% interest for single premium immediate annuity contracts, and 4% interest for all other individual annuity and pure endowment contracts.

(b) For individual annuity and pure endowment contracts issued on or after January 1, 1986, excluding any disability and accidental death benefits in such contracts -- the 1971 individual annuity mortality table, or any modification of this table approved by the commissioner, and 3-1/2% interest.

(c) For all annuities and pure endowments purchased prior to January 1, 1986, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts -- the 1971 group annuity mortality table, or any modification of this table approved by the commissioner, and 6% interest.

(d) For all annuities and pure endowments purchased on or after January 1, 1986, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such contracts -- the 1971 group annuity mortality table, or any modification of this table approved by the commissioner, and 3-1/2% interest.

(2b) After the effective date of sub. (2a) and this subsection (1973) any company may file with the commissioner a written notice of its election to comply with sub. (2a) after a specified date before January 1, 1979, which shall be the operative date of sub. (2a) for such company, but a company may elect a different operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If a company makes no such election, the operative date of sub. (2a) for such company shall be January 1, 1979.

SECTION 4. 208.28 (2) of the statutes is amended to read:

208.28 (2) The legal minimum standard of valuation for all certificates of life or endowment insurance shall be the national fraternal congress table of mortality, or at the option of the society, any higher table or any table authorized by s. 206.20 or 206.201 for such benefits, or a table based upon the society's own experience of at least 20 years and covering not less than 100,000 lives. Contracts for annuity or pure endowment benefits, for total and permanent disability benefits in or supplementary to ordinary contracts, or for accidental death benefits in or supplementary to ordinary contracts shall be valued in accordance with s. 206.201 (2) (c), (e) and (f). Interest assumptions shall ~~not be more than 3 1/2 per cent per annum~~ those authorized by ss. 206.20 and 206.201. Each report shall set forth fully the mortality and interest basis and the method of valuation.