



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa1279/1
PJK:kmg:jf

**SENATE AMENDMENT 2,
TO 2001 SENATE BILL 375**

February 20, 2002 - Offered by COMMITTEE ON INSURANCE, TOURISM, AND
TRANSPORTATION.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 4: after "insurers," insert "reducing the minimum nonforfeiture
3 interest rate for fixed individual annuities,".

4 **2.** Page 8, line 25: after that line insert:

5 **"SECTION 21m.** 632.435 (4) (a) of the statutes is amended to read:

6 632.435 (4) (a) With respect to contracts providing for flexible considerations,
7 the minimum nonforfeiture amount at any time at or prior to the commencement of
8 any annuity payments shall be equal to an accumulation up to such time at a rate
9 of interest of ~~3%~~ 1.5% per year of percentages of the net considerations paid prior to
10 such time, decreased by the sum of any prior withdrawals from or partial surrenders
11 of the contract accumulated at a rate of interest of ~~3%~~ 1.5% per year and the amount
12 of any indebtedness to the company on the contract, including interest due and
13 accrued, and increased by any existing additional amounts credited by the company

1 to the contract. The net considerations for a given contract year for purposes of this
2 subsection shall be an amount not less than zero and shall be equal to the
3 corresponding gross considerations credited to the contract during the contract year
4 less an annual contract charge of \$30 and less a collection charge of \$1.25 per
5 consideration credited to the contract during that contract year. The percentages of
6 net considerations shall be 65% of the net consideration for the first contract year and
7 87.5% of the net considerations for the 2nd and later contract years, except that the
8 percentage shall be 65% of the portion of the total net consideration for any renewal
9 contract year which exceeds by not more than 2 times the sum of those portions of
10 the net considerations in all prior contract years for which the percentage was 65%.”.

11 **3.** Page 11, line 12: after that line insert:

12 “(4) INTEREST RATE FOR INDIVIDUAL DEFERRED ANNUITIES. The treatment of section
13 632.435 (4) (a) of the statutes first applies to annuity contracts issued on the effective
14 date of this subsection.”.

15 (END)