

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB373

Hearing Date: Monday January 25, 2021
Committee On: Banking, Commerce and Insurance
Introducer: Pahls
One Liner: Change the interest rate for minimum nonforfeiture amounts as prescribed

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Aguilar, Bostar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Timothy Duey
Brandon Cage
Matt Holman
Robert Bell
Bruce Ramge

Representing:

Introducer
Pacific Life Insurance
Ameritas Life Insurance Corp
Nebraska Insurance Federation
Department of Insurance

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would amend section 44-407.14 of the Standard Nonforfeiture Law for Individual Deferred Annuities. In December 2020, the National Association of Insurance Commissioners (NAIC) approved a change in its model law related to the interest rate nonforfeiture floor for individual annuities. This is the interest rate used to calculate the cash value of an annuity that an insurer must pay a consumer when an annuity is surrendered. The NAIC has recommended that the floor be moved from "one percent" to "fifteen basis points" (0.15 percent).

Matt Williams, Chairperson