HB 938 -- ANNUITY CONTRACTS (Luetkemeyer)

This bill amends the formula that may be used for determining the minimum present value of an annuity when it is terminated early. Current law requires these contracts to offer a minimum interest rate of 3%. The bill removes this minimum and allows these contracts to offer a rate that is tied to the five-year Constant Maturity Treasury Rate, as reported by the Federal Reserve. The bill allows the sellers of annuities to continue to use the current formula until July 1, 2006. The current law is set to expire on July 1, 2004.

FISCAL NOTE: No impact on General Revenue Fund in FY 2005, FY 2006, and FY 2007. Estimated Net Income on Other State Funds of $0 to $17,500 in FY 2005, $0 in FY 2006, and $0 in FY 2007.