



OKLAHOMA INSURANCE DEPARTMENT

BULLETIN NO. LH 2014-04

TO: All Licensed Life Insurance Companies and Life Insurance Producers

RE: Change to Annuity Statute

FROM: John Doak, Oklahoma Insurance Commissioner

DATE: October 20, 2014

The purpose of this bulletin is to inform all licensed insurance producers and insurance companies involved in the business of annuities that the State of Oklahoma amended the language of 36 O.S. § 4030.9 during the 2014 legislative session. The amendment will affect the maximum allowable surrender charges in annuity contracts issued on or after November 1, 2014. Effective November 1, 2014, § 4030.9 will provide that, for the purposes of calculating nonforfeiture benefits, the “maturity date shall be deemed to be the latest date for which election shall be permitted by the contract, but shall not be later than the anniversary of the contract next following the annuitant’s seventieth birthday or the tenth anniversary of the contract, whichever is later.” Even if the contract provides for optional maturity dates, the latest date that can be used for purposes of determining the nonforfeiture values addressed in 36 O.S. §§ 4030.7 and 4030.8 is the anniversary of the contract next following the annuitant’s seventieth birthday or the tenth anniversary of the contract, whichever is later. Accordingly, if an insurer has previously based its contract values on a maturity date that is later than will be allowed effective November 1, 2014,

the insurer shall file updated actuarial memorandums and/or any replacement pages (if necessary) with the Oklahoma Insurance Department for its existing annuity plan filings. Any forms that are not affected by this change do not have to be re-filed.

Questions or comments applicable to this bulletin should be directed to Verneta Pavel (Verneta.Pavel@oid.ok.gov) or Barron Brown (Barron.Brown@oid.ok.gov), Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th, Suite 100, Oklahoma City, OK 73112.