

**40-4,107. Same; calculation of paid-up annuity benefits.** For annuity contracts that do not provide cash surrender benefits, the present value of any paid-up annuity benefit available as a nonforfeiture option at any time prior to maturity shall not be less than the present value of that portion of the maturity value of the paid-up annuity benefit provided under the annuity contract arising from considerations paid prior to the time the annuity contract is surrendered in exchange for, or changed to, a deferred paid-up annuity, such present value being calculated for the period prior to the maturity date on the basis of the interest rate specified in the annuity contract for accumulating the net considerations to determine maturity value, and increased by any additional amounts credited by the company to the annuity contract. For annuity contracts that do not provide any death benefits prior to the commencement of any annuity payments, present values shall be calculated on the basis of such interest rate and the mortality table specified in the contract for determining the maturity value of the paid-up annuity benefit. However, in no event shall the present value of a paid-up annuity benefit be less than the minimum nonforfeiture amount at that time.

**History:** L. 2004, ch. 18, § 7; July 1.