

2021 Kansas Statutes

40-4,103. Same; nonforfeiture requirements. (a) Except as stated in K.S.A. 40-4,102, and amendments thereto, in the case of any annuity contract issued on or after the operative date of this act as defined in K.S.A. 40-4,113, and amendments thereto, no annuity contract, shall be delivered or issued for delivery in this state unless such annuity contract contains in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the holder of such annuity contract, upon cessation of payment of considerations under the annuity contract:

(1) That upon cessation of payment of considerations under an annuity contract, or upon the written request of the owner of an annuity contract, the company shall grant a paid-up annuity benefit on a plan stipulated in the contract of such value as is specified in K.S.A. 40-4,105, 40-4,106, 40-4,107, 40-4,108 and 40-4,110, and amendments thereto;

(2) if an annuity contract provides for a lump sum settlement at maturity, or at any other time, that upon surrender of such annuity contract at or prior to the commencement of any annuity payments, the company shall pay in lieu of a paid-up annuity benefit a cash surrender benefit of such amount as is specified in K.S.A. 40-4,105, 40-4,106, 40-4,108 and 40-4,110, and amendments thereto. The company may reserve the right to defer the payment of the cash surrender benefit for a period not to exceed six months after demand therefor with surrender of the annuity contract after making a written request to and receiving written approval from the commissioner. The request shall address the necessity and equitability to all policyholders of the deferral;

(3) a statement of the mortality table, if any, and interest rates used in calculating any minimum paid-up annuity, cash surrender or death benefits that are guaranteed under the annuity contract, together with sufficient information to determine the amounts of the benefits; and

(4) a statement that any paid-up annuity, cash surrender or death benefits that may be available under the annuity contract are not less than the minimum benefits required by any statute of the state in which the annuity contract is delivered and an explanation of the manner in which the benefits are altered by the existence of any additional amounts credited by the company to the annuity contract, any indebtedness to the company on the annuity contract or any prior withdrawals from or partial surrenders of the annuity contract.

(b) Notwithstanding the requirements of this section, a deferred annuity contract may provide that if no considerations have been received under a contract for a period of two full years and the portion of the paid-up annuity benefit at maturity on the plan stipulated in the annuity contract arising from prior consideration paid would be less than \$20 monthly, the company may, at its option, terminate the annuity contract by payment in cash of the then present value of the portion of the paid-up annuity benefit, calculated on the basis on the mortality table, if any, and interest rate specified in the annuity contract for determining the paid-up annuity benefit, and by this payment shall be relieved of any further obligation under the annuity contract.

History: L. 2004, ch. 18, § 3; July 1.