

reference to a "single" payment is substituted for the former reference to a payment "in cash" for accuracy and clarity.

Also in the introductory language of subsection (g)(1) of this section, the former phrase "and by the payment [the insurer] shall be relieved of any further obligation under the contract" is deleted as implicit in the reference to "terminat[ing]" the contract.

In subsection (g)(1)(ii) of this section, the phrase "before termination" is substituted for the former phrase "prior to such period" for clarity.

Also in subsection (g)(1)(ii) of this section, the former phrase "on the plan stipulated [in the contract]" is deleted as surplusage.

In subsection (g)(2) of this section, the reference to present value "calculated as of the date of termination" is substituted for the former vague reference "then" present value for clarity.

Defined terms: "Annuity" § 1-101

"Annuity contract" § 1-101

"Commissioner" § 1-101

"Insurer" § 1-101

16-504. MINIMUM NONFORFEITURE AMOUNTS.

(A) IN GENERAL.

THE MINIMUM VALUES SPECIFIED UNDER §§ 16-505 THROUGH 16-509 OF THIS SUBTITLE OF ANY PAID-UP ANNUITY, CASH SURRENDER, OR DEATH BENEFITS UNDER AN ANNUITY CONTRACT SHALL BE BASED ON MINIMUM NONFORFEITURE AMOUNTS CALCULATED UNDER THIS SECTION.

(B) CONTRACTS WITH FLEXIBLE CONSIDERATIONS.

(1) THE MINIMUM NONFORFEITURE AMOUNT UNDER AN ANNUITY CONTRACT THAT PROVIDES FOR FLEXIBLE CONSIDERATIONS AT ANY TIME BEFORE OR AT THE START OF ANNUITY PAYMENTS SHALL EQUAL THE REMAINDER OF:

(I) THE ACCUMULATION UNTIL THAT TIME, AT AN INTEREST RATE OF 3% PER YEAR, OF THE PERCENTAGES OF THE NET CONSIDERATIONS PAID BEFORE THAT TIME, CALCULATED UNDER PARAGRAPH (2) OF THIS SUBSECTION, AND ANY EXISTING ADDITIONAL AMOUNT CREDITED BY THE INSURER TO THE CONTRACT; LESS

(II) THE SUM OF:

1. ANY WITHDRAWAL FROM OR PARTIAL SURRENDER OF THE CONTRACT ACCUMULATED AT AN INTEREST RATE OF 3% PER YEAR; AND

2. ANY INDEBTEDNESS TO THE INSURER ON THE CONTRACT, INCLUDING INTEREST DUE AND ACCRUED.