

THE PRESENT VALUE SHALL BE CALCULATED USING ANY MORTALITY TABLE AND THE INTEREST RATE SPECIFIED IN THE ANNUITY CONTRACT TO DETERMINE MINIMUM PAID-UP ANNUITY BENEFITS GUARANTEED IN THE CONTRACT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 408B(e).

Defined terms: "Annuity" § 1-101
"Annuity contract" § 1-101

16-506. CONTRACTS THAT PROVIDE CASH SURRENDER BENEFITS.

(A) SCOPE OF SECTION.

THIS SECTION APPLIES ONLY TO ANNUITY CONTRACTS THAT PROVIDE CASH SURRENDER BENEFITS.

(B) BENEFITS AVAILABLE BEFORE MATURITY.

CASH SURRENDER BENEFITS AVAILABLE BEFORE MATURITY UNDER AN ANNUITY CONTRACT MAY NOT BE LESS THAN THE REMAINDER OF:

(1) THE PRESENT VALUE AS OF THE SURRENDER DATE OF THE PART OF THE MATURITY VALUE OF THE PAID-UP ANNUITY BENEFIT THAT WOULD BE PROVIDED AT MATURITY FROM CONSIDERATIONS PAID BEFORE THE SURRENDER DATE AND ANY EXISTING ADDITIONAL AMOUNT CREDITED BY THE INSURER TO THE CONTRACT; LESS

(2) THE APPROPRIATE AMOUNT THAT REFLECTS PRIOR WITHDRAWALS FROM OR PARTIAL SURRENDERS OF THE CONTRACT AND ANY INDEBTEDNESS TO THE INSURER ON THE CONTRACT, INCLUDING INTEREST DUE AND ACCRUED.

(C) CALCULATION OF PRESENT VALUE.

THE PRESENT VALUE UNDER SUBSECTION (B)(1)(I) OF THIS SECTION SHALL BE CALCULATED USING AN INTEREST RATE NOT MORE THAN 1% HIGHER THAN THE INTEREST RATE SPECIFIED IN THE CONTRACT FOR ACCUMULATING NET CONSIDERATIONS TO DETERMINE THE MATURITY VALUE.

(D) MINIMUM NONFORFEITURE AMOUNT; DEATH BENEFIT.

(1) A CASH SURRENDER BENEFIT MAY NOT BE LESS THAN THE MINIMUM NONFORFEITURE AMOUNT AT THE TIME OF SURRENDER.

(2) A DEATH BENEFIT UNDER A CONTRACT SUBJECT TO THIS SECTION SHALL EQUAL AT LEAST THE CASH SURRENDER BENEFIT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 408B(f).

In subsection (b)(1) and (2) of this section, the defined term "insurer" is substituted for the former term "company" for consistency.

In subsection (b)(1) of this section, the reference to the "surrender date" is