

CHAPTER 190.

[S. B. 278.]

INSURANCE ANNUITIES.

AN ACT relating to insurance annuities; and amending section 48.23.360, R.C.W.

Be it enacted by the Legislature of the State of Washington:

Amendment.

SECTION 1. Section 48.23.360, R.C.W., as derived from section .23.36, chapter 79, Laws of 1947 is amended to read as follows:

Nonforfeiture benefits.

(1) Nonforfeiture Benefits: Any paid-up nonforfeiture benefit available under any annuity or pure endowment contract pursuant to section 48.23.200, in the event of default in a consideration due on any contract anniversary shall be such that its present value as of such anniversary shall be not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits (excluding any total disability benefits attached to such contracts) which would have been provided for by the contract including any existing paid-up additions, if there had been no default, over the sum of (a) the then present value of the net consideration defined in paragraph two of this section corresponding to considerations which would have fallen due on and after such anniversary, and (b) the amount of any indebtedness to the company on the contract, including interest due or accrued. In determining the benefits referred to in this section and in calculating the net consideration referred to in such paragraph two, in the case of annuity contracts under which an election may be made to have annuity payments commence at optional dates, the annuity payments shall be deemed to commence at the latest date permitted by the contract for the commencement of such payments and the considerations shall be deemed to be payable until such date, which,

however, shall not be later than the contract anniversary nearest the annuitant's seventieth birthday.

(2) Net Considerations: The net considerations for any annuity or pure endowment contract referred to in paragraph one of this section shall be calculated on an annual basis, shall be such that the present value thereof at date of issue of the annuity shall equal the then present value of the future benefits thereunder (excluding any total disability benefits attached to such contracts) and shall be not less than the following percentages of the respective considerations specified in the contracts for the respective contract years:

Net considerations.

First yearfifty per cent
Second and subsequent years.....ninety per cent

Provided, however, that in the case of participating annuity contracts the percentages hereinbefore specified may be decreased by five.

(3) Basis of Calculation: All net considerations and present values referred to in this section shall be calculated on the basis of the 1937 standard annuity mortality table (or such table with reasonable adjustment of the age of the life or lives on which the contract is based) and the rate of interest not exceeding three per cent *per annum* specified in the contract for calculating cash surrender values, if any, and paid-up nonforfeiture benefits.

Basis of calculation.

(4) Calculations on Default: Any cash surrender value and any paid-up nonforfeiture benefit, available under any such contract in the event of default in the payment of any consideration due at any time other than on the contract anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional considerations beyond the last preceding contract anniversary. All values herein referred to may be calculated upon the assumption that any death benefit is payable at the end of the contract year of death.

Calculations on default.

Deferment
of payment.

(5) Deferment of Payment: If an insurer provides for the payment of a cash surrender value, it shall reserve the right to defer the payment of such value for a period of six months after demand therefor with surrender of the contract.

Lump sum
in lieu.

(6) Lump Sum in Lieu: Notwithstanding the requirements of this section, any deferred annuity contract may provide that if the annuity allowed under any paid-up nonforfeiture benefit would be less than one hundred twenty dollars annually, the insurer may at its option grant a cash surrender value in lieu of such paid-up nonforfeiture benefit of such amount as may be required by paragraph three of this section.

Operative
date.

(7) Operative Date: If no election is made by an insurer for an operative date prior to July first, nineteen hundred forty-eight, such date shall be the operative date for this section.

[Am. Rem. Supp. 1947, § 45.23.36.]

[R.C.W. 48.23.200 is Rem. Supp. 1947, § 45.23.20.]

Passed the Senate February 22, 1951.

Passed the House March 3, 1951.

Approved by the Governor March 17, 1951.

CHAPTER 191.

[S. B. 140.]

CONDITIONAL SALE OR LEASE OF RAILROAD EQUIPMENT.

AN ACT relating to certain contracts for the conditional sale or lease of railroad equipment and rolling stock; amending section 81.36.140, R.C.W.

Be it enacted by the Legislature of the State of Washington:

Amendment.

SECTION 1. Section 81.36.140, R.C.W., as derived from section 1, chapter 169, Laws of 1949, is amended to read as follows: