

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 38.2-106 and 38.2-3219 of the Code of Virginia, relating to insurance;*
 3 *contingent deferred annuities.*

4 [S 166]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That §§ 38.2-106 and 38.2-3219 of the Code of Virginia are amended and reenacted as follows:**8 **§ 38.2-106. Annuities.**

9 "Annuities" means all agreements to make periodic payments in specified or calculable sums pursuant to
 10 the terms of a contract for a stated period of time or for the life of the person or persons specified in the
 11 contract. "Annuities" does not include contracts defined in § 38.2-102 and qualified charitable gift annuities
 12 as defined in § 38.2-106.1.

13 As used in this title, unless the context requires otherwise, "annuity" shall be deemed to include "variable
 14 annuity" and "modified guaranteed annuity," and shall be deemed to include a contract under which a lump
 15 sum cash settlement is an alternative to the option of periodic payments.

16 "*Contingent deferred annuity*" means an annuity that establishes a life insurer's obligation to make
 17 periodic payments for the life of the person or persons specified in the annuity upon the depletion to a
 18 specified amount of designated investments that are not owned or held by the insurer due to contractually
 19 permitted withdrawals, market performance, fees, or other charges.

20 **§ 38.2-3219. Applicability.**

21 A. Sections 38.2-3220 through 38.2-3229 shall not apply to any (i) reinsurance; (ii) group annuity
 22 purchased under a retirement plan or plan of deferred compensation established or maintained by an
 23 employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other
 24 than a plan providing individual retirement accounts or individual retirement annuities under § 408 of the
 25 Internal Revenue Code, as amended; (iii) premium deposit fund; (iv) variable annuity; (v) investment
 26 annuity; (vi) immediate annuity; (vii) deferred annuity contract after annuity payments have commenced;
 27 (viii) reversionary annuity; (ix) modified guaranteed annuity; or (x) contract delivered outside this
 28 Commonwealth through an agent or other representative of the insurer issuing the contract.

29 B. Sections 38.2-3220 through 38.2-3225 shall not apply to any contingent deferred annuity. The
 30 Commission may adopt reasonable standards for contingent deferred annuities, including nonforfeiture
 31 benefits, that are equitable to the contract holder, appropriate in relation to the risks insured, and consistent
 32 with the general intent of Chapter 32 (§ 38.2-3220 et seq.), as determined by the Commission.

ENROLLED

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