

VIRGINIA ACTS OF ASSEMBLY - 2026 SESSION

CHAPTER 486

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

[S 166]

Approved April 8, 2026

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-106 and 38.2-3219 of the Code of Virginia are amended and reenacted as follows:

§ 38.2-106. Annuities.

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

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

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

§ 38.2-3219. Applicability.

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

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