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WILLIAM W. DEAL
Director

BULLETIN NO. 08-07

DATE: July 1, 2008
TO: All Life Insurance Companies
FROM: William Deal
Director
SUBJECT: Rate of Interest on Deferred Payment of Cash
Surrendered Benefits, Effective July 1, 2008
(Rescinds Bulletin 07-07)

Effective July 1, 2008, insurers must pay a minimum of 7.625% on deferred payment of cash surrender values pursuant to Idaho Code §§ 41-1927(3) and 41-1927A(3)(b). The 7.625% interest rate is computed in accordance with Idaho Code § 28-22-104 and is effective from July 1, 2008 through June 30, 2009. The Idaho State Treasurer will announce a new rate by July 1st of each succeeding year. The rate calculation can be reviewed at the State Treasurer's website: <http://sto.idaho.gov/Reports/LegalRateOfInterest.aspx>
An insurer that has not tendered payments in satisfaction of a cash surrender request within thirty days of receipt of the request will be deemed to have elected to defer payment of the cash surrender benefit. The thirty day period for processing cash surrender requests will begin upon the date the request was received by the insurer or its authorized agent or representative. An insurer that elects to defer payment of a cash surrender benefit pursuant to Idaho Code, Sections 41-1927 or 41-1927A, is required to pay interest from the date on which the cash surrender request is received.

(Bulletin 08-07)