

*State of Idaho*  
**DEPARTMENT OF INSURANCE**

**BRAD LITTLE**  
Governor

700 West State Street, 3rd Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Phone 208-334-4250  
Fax 208-334-4398  
Website: <https://doi.idaho.gov>

**DEAN L. CAMERON**  
Director

**BULLETIN NO. 19-05**

DATE: July 26, 2019

TO: All Life Insurance Companies

FROM: Dean L. Cameron  
Director

SUBJECT: Rate of Interest on Deferred Payment of Cash  
Surrendered Benefits, Effective July 1, 2019

Idaho Code Sections 41-1927(3) and 41-1927A(3)(b) permit an insurer to defer the payment of any cash surrender value under a life insurance policy or individual deferred annuity when payment of the surrender value is requested by the policyholder with surrender of the policy. If payment of the surrender value is deferred, the same code sections require that the insurer pay interest to the policyholder. Non-tender of payment of the surrender value within 30 days of a request therefor is considered an election by the insurer to defer payment. The thirty-day period begins on the date the request was received by the insurer or its authorized agent or representative.

Effective July 1, 2019, insurers must pay a minimum interest rate of 7.125% on deferred payment of cash surrender values, pursuant to Idaho Code Sections 41-1927(3) and 41-1927A(3)(b). The 7.125% interest rate is computed in accordance with Idaho Code § 28-22-104(2) and is effective from July 1, 2019, through June 30, 2020. The Idaho State Treasurer announces a new rate on or about July 1<sup>st</sup> of each succeeding year. The rate calculation can be reviewed at the State Treasurer's website: <https://sto.idaho.gov/Reports/Legal-Rate-of-Interest>.