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BULLETIN NO. 24-03

DATE: March 18, 2024

TO: All Life Insurance Companies

FROM: Dean L. Cameron, Director

SUBJECT: Rate of Interest on Deferred Payment of Cash Surrendered Benefits, Effective July 1, 2023

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 therefore 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, 2023, insurers must pay a minimum interest rate of 10.250% on deferred payment of cash surrender values, pursuant to Idaho Code Sections 41-1927(3) and 41-1927A(3)(b). The 10.250% interest rate is computed in accordance with Idaho Code § 28-22-104(2) and is effective from July 1, 2023, through June 30, 2024. The Idaho State Treasurer announces a new rate on or about July 1st 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.

This Bulletin is not new law but is an agency interpretation of existing law, except as authorized by law or as incorporated into a contract. Any questions regarding this Bulletin can be directed to Deputy Director Wes Trexler at 208-334-4214 or weston.trexler@doi.idaho.gov.