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DEPARTMENT OF INSURANCE

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BULLETIN NO. 26-13

DATE: July 29, 2026

TO: All Life Insurance Companies

FROM: Dean L. Cameron, Director

SUBJECT: Rate of Interest on Deferred Payment of Cash Surrendered Benefits, Effective July 1, 2026

Idaho Code §§ 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 a policyholder requests payment upon surrender of the policy. If the insurer defers payment, these statutes require payment of interest to the policyholder on the deferred amount. Failure to tender payment within 30 days of a surrender request constitutes the insurer's election to defer. The 30-day period begins on the date the insurer or its authorized agent or representative receives the surrender request.

Effective July 1, 2026, insurers must pay a minimum interest rate of **8.875%** on deferred payment of cash surrender values, pursuant to Idaho Code §§ 41-1927(3) and 41-1927A(3)(b). The interest rate is calculated annually by the Idaho State Treasurer, in accordance with Idaho Code § 28-22-104(2), and is effective July 1, 2026, through June 30, 2027. The Idaho State Treasurer publishes a new rate on or about July 1 of each succeeding year. Current and historical rates are available for review at the State Treasurer's website: https://sto.idaho.gov/Banking/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.