

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: July 1, 2003

SUBJECT: Fiscal Impact Statement: "Standard Valuation and
Nonforfeiture Amendment Act of 2003"

REFERENCE: Bill 15-017 as Introduced

Conclusion

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan as agreed to by the Mayor and the Council to implement the Standard Valuation and Nonforfeiture Amendment Act of 2003. The proposed legislation has no fiscal impact.

Background

The Standard Valuation and Nonforfeiture Amendment Act of 2003 amends the Life Insurance Act to change the interest rate for calculating the minimum nonforfeiture amount for life insurance annuities from three percent to 1.5 percent.

Financial Plan Impact

The interest rate reduction in the proposed legislation affects contracts between insurers and insureds. There is no impact on the staff or resources of the Department of Insurance and Securities Regulation (DISR).