

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2540

As Recommended by House Committee on
Insurance

Brief*

HB 2540 would exempt contingent deferred annuities from the standard nonforfeiture law for individual deferred annuities.

The bill would also give authority to the Commissioner of Insurance to adopt the necessary rules and regulations regarding nonforfeiture benefits for contingent deferred annuities.

Background

The bill was introduced by the House Committee on Insurance at the request of a representative of Prudential Financial, Inc.

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of Prudential Financial, Inc. The representative explained that the product is an annuity designed to provide guaranteed lifetime income payments if an investment account is exhausted during the lifetime of an annuitant. The representative also noted that this change would align Kansas law with the National Association of Insurance Commissioners' model language.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

Written-only proponent testimony was provided by a representative of the American Council of Life Insurers.

No other testimony was provided.

The House Committee recommended the bill be placed on the Consent Calendar.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Kansas Department of Insurance states that the bill would require the Commissioner of Insurance to determine if it is necessary to create regulations to set nonforfeiture benefits consistent with standard nonforfeiture laws for contingent deferred annuities. The Department would conduct research and analysis and, if necessary, create and enforce those regulations. However, the agency states that these actions would not have a fiscal effect and would be managed through existing staff and resources.

Insurance; annuities; Commissioner of Insurance; rules and regulations