

121 contract.

122 ~~[(2) Unless]~~ (3) (a) ~~H→~~ **[H] Subject to the other provisions of this Subsection (3),**

122a **if ←H** a right to interest exists as a matter of law, but parties to a lawful

123 contract [~~specify~~] have not specified a different rate of interest, the legal rate of interest for [~~the~~

124 ~~loan or forbearance of any money, goods, or]~~ the contract or other chose in action [~~shall be~~

125 ~~10% per annum]~~ prior to judgment is the federal postjudgment interest plus ~~H→~~ **[2%] 5% ←H** .

125a unless

126 otherwise provided by law.

127 (b) The federal postjudgment interest rate used for purposes of Subsection (3)(a) is the

128 rate as of January 1 for the year in which:

129 (i) a contract is made; or

130 (ii) when the chose in action other than one based on contract accrues.

131 (c) The legal rate under Subsection (3)(a) at the time that a contract is made or other

132 chose in action accrues, shall remain the interest rate for the duration of the contract or other

133 chose in action.

133a ~~H→~~ **(d) The legal rate under Subsection (3)(a) may not be lower than 5% or higher**

133b **than 10%. ←H**

134 ~~[(3)]~~ (4) (a) Nothing in this section may be construed in any way to affect any penalty

135 or interest charge that by law applies to delinquent or other taxes or to any contract or

136 obligations made before May 14, 1981.

137 (b) The amendments to this section made by this bill, do not apply to any right to

138 interest as a matter of law for any contract made or chose in action accruing before May 10,

139 2016.

140 Section 4. Section **31A-22-428** is amended to read:

141 **31A-22-428. Interest payable on life insurance proceeds.**

142 (1) For a life insurance policy delivered or issued for delivery in this state on or after

143 May 5, 2008, the insurer shall pay interest on the death proceeds payable upon the death of the

144 insured.

145 (2) (a) Except as provided in Subsection (4), for the period beginning on the date of

146 death and ending the day before the day described in Subsection (3)(b), interest under

147 Subsection (1) shall accrue at a rate no less than the greater of:

148 (i) the rate applicable to policy funds left on deposit; and

149 (ii) the Two Year Treasury Constant Maturity Rate as published by the Federal Reserve.

150 (b) If there is no rate applicable to policy funds on deposit as stated in Subsection

151 (2)(a)(i), then the Two Year Treasury Constant Maturity Rates as published by the Federal