

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1283 Session of 2019

INTRODUCED BY MOUL, PICKETT, RYAN, MILLARD, DUNBAR, ZIMMERMAN AND STEPHENS, APRIL 25, 2019

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 13, 2019

AN ACT

1 Amending Titles 40 (Insurance) and 42 (Judiciary and Judicial
2 Procedure) of the Pennsylvania Consolidated Statutes,
3 providing for insurance contracts; and, in judgments and
4 other liens, further providing for exemption of particular
5 property.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 40 of the Pennsylvania Consolidated
9 Statutes is amended by adding a part to read:

10 PART V

11 INSURANCE CONTRACTS

12 Chapter

13 79. Group Annuity Contracts

14 CHAPTER 79

15 GROUP ANNUITY CONTRACTS

16 Sec.

17 7901. Definitions.

18 7902. ~~Transfer~~ ISSUANCE, TRANSFER or assumption of contract.

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19 § 7901. Definitions.

1 The following words and phrases when used in this chapter
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Commissioner." The Insurance Commissioner of the
5 Commonwealth.

6 "Contract." An allocated or unallocated group annuity
7 contract:

8 (1) That is issued by an insurer to an employer or an
9 employee defined pension benefit plan on behalf of an
10 employer, for the purpose of providing retirement benefits to
11 employees or former employees of the employer.

12 (2) Whose annuity benefits will no longer be protected
13 under the Employee Retirement Income Security Act of 1974
14 (Public Law 93-406, 88 Stat. 829) or the Federal Pension
15 Benefit Guaranty Corporation.

16 § 7902. ~~Transfer~~ ISSUANCE, TRANSFER or assumption of contract. <--

17 (a) Confirmation of financial strength necessary.--A
18 contract may not be ISSUED, transferred or assumed by another AN <--
19 insurer without confirmation by the commissioner that the
20 insurer assuming the obligations of the contract has the
21 financial strength to fulfill its obligations under the
22 contract.

23 (b) Determination by commissioner.--Within 60 days after
24 notification from the insurer of the proposed ISSUANCE, transfer <--
25 or assumption under subsection (a), the commissioner shall
26 review the financial strength of the insurer who is proposed to
27 assume the obligations of the contract and determine whether the
28 insurer can fulfill its obligations under the contract.

29 Section 2. Section 8124(b)(1) introductory paragraph of
30 Title 42 is amended, the paragraph is amended by adding a

1 subparagraph and the subsection is amended by adding a paragraph
2 to read:

3 § 8124. Exemption of particular property.

4 * * *

5 (b) Retirement funds and accounts.--

6 (1) Except as provided in paragraph (2) or (3), the
7 following money or other property of the judgment debtor
8 shall be exempt from attachment or execution on a judgment:

9 * * *

10 (x) Any allocated or unallocated group annuity
11 contract issued to an employer or a pension plan for the
12 purpose of providing retirement benefits to employees or
13 retirees of the employer under a defined benefit plan,
14 which retirement benefits:

15 (A) Were protected under the Employee Retirement
16 Income Security Act of 1974 (Public Law 93-406, 88
17 Stat. 829) or the Federal Pension Benefit Guaranty
18 Corporation prior to the effective date of the group
19 annuity contract.

20 (B) Will not be protected under the Employee
21 Retirement Income Security Act of 1974 or the Federal
22 Pension Benefit Guaranty Corporation on and after the
23 effective date of the group annuity contract.

24 * * *

25 (3) Nothing contained in paragraph (1) (x) shall limit <--
26 collective bargaining rights that a collective bargaining
27 unit may have. NOTWITHSTANDING PARAGRAPH (1) (X), THE <--
28 EMPLOYEES OR RETIREES OF AN EMPLOYER WHOSE RETIREMENT
29 BENEFITS WERE TO BE PROVIDED FOR BY A GROUP ANNUITY CONTRACT
30 MAY ATTACH OR EXECUTE A JUDGMENT AGAINST THE GROUP ANNUITY

1 CONTRACT FOR BENEFITS THEY WERE ENTITLED TO RECEIVE UNDER THE
2 DEFINED BENEFIT PLAN FOR WHICH THE GROUP ANNUITY CONTRACT WAS
3 CREATED.

4 * * *

5 Section 3. This act shall take effect in 60 days.