

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1283 Session of
2019INTRODUCED BY MOUL, PICKETT, RYAN, MILLARD, DUNBAR, ZIMMERMAN
AND STEPHENS, APRIL 25, 2019AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
MAY 15, 2019

AN ACT

1 Amending ~~Titles 40 (Insurance) and~~ TITLE 42 (Judiciary and <--
2 Judicial Procedure) of the Pennsylvania Consolidated
3 Statutes, ~~providing for insurance contracts; and,~~ in <--
4 judgments and other liens, further providing for exemption of
5 particular 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. Issuance, transfer or assumption of contract.

19 § 7901. Definitions.

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

~~"Commissioner." The Insurance Commissioner of the Commonwealth.~~

~~"Contract." An allocated or unallocated group annuity contract:~~

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

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

~~§ 7902. Issuance, transfer or assumption of contract.~~

~~(a) Confirmation of financial strength necessary. A contract may not be issued, transferred or assumed by an insurer without confirmation by the commissioner that the insurer assuming the obligations of the contract has the financial strength to fulfill its obligations under the contract.~~

~~(b) Determination by commissioner. Within 60 days after notification from the insurer of the proposed issuance, transfer or assumption under subsection (a), the commissioner shall review the financial strength of the insurer who is proposed to assume the obligations of the contract and determine whether the insurer can fulfill its obligations under the contract.~~

~~Section 2. Section 8124(b)(1) introductory paragraph of Title 42 is amended, the paragraph is amended by adding a subparagraph and the subsection is amended by adding a paragraph~~

1 ~~to read:~~

2 SECTION 1. SECTION 8124(B)(1) OF TITLE 42 OF THE <--
3 PENNSYLVANIA CONSOLIDATED STATUTES IS AMENDED BY ADDING A
4 SUBPARAGRAPH TO READ:

5 § 8124. Exemption of particular property.

6 * * *

7 (b) Retirement funds and accounts.--

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

11 * * *

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

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

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

26 * * *

27 ~~(3) Notwithstanding paragraph (1)(x), the employees or~~ <--
28 ~~retirees of an employer whose retirement benefits were to be~~
29 ~~provided for by a group annuity contract may attach or~~
30 ~~execute a judgment against the group annuity contract for~~

~~benefits they were entitled to receive under the defined
benefit plan for which the group annuity contract was
created.~~

~~* * *~~

Section 3 2. This act shall take effect in 60 days.

<--