

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2605 Session of
1980

INTRODUCED BY HALVERSON, E. R. LYNCH, VROON, MADIGAN, MOWERY,
SCHEAFFER, PICCOLA AND PETERSON, JUNE 2, 1980

REFERRED TO COMMITTEE ON INSURANCE, JUNE 2, 1980

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as
2 amended, "An act relating to insurance; establishing an
3 insurance department; and amending, revising, and
4 consolidating the law relating to the licensing,
5 qualification, regulation, examination, suspension, and
6 dissolution of insurance companies, Lloyds associations,
7 reciprocal and inter-insurance exchanges, and certain
8 societies and orders, the examination and regulation of fire
9 insurance rating bureaus, and the licensing and regulation of
10 insurance agents and brokers; the service of legal process
11 upon foreign insurance companies, associations or exchanges;
12 providing penalties, and repealing existing laws," further
13 providing for transactions in this Commonwealth involving
14 group or blanket insurance or group annuities.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Clauses (5) and (5.1) of subsection (e) of
18 section 208, act of May 17, 1921 (P.L.789, No.285), known as
19 "The Insurance Department Act of one thousand nine hundred and
20 twenty-one," amended or added July 9, 1976 (P.L.912, No.166),
21 are amended to read:

22 Section 208. Certificates of Authority To Do Business.--

23 * * *

(e) The provisions of this section shall not apply to the following:

* * *

(5) [Transactions in this Commonwealth, except group credit life or group credit accident and health insurance transactions, involving group or blanket insurance policies or group annuity contracts where the group policy or contract is issued and delivered pursuant to the group or blanket insurance or group annuity laws of a jurisdiction in which the insurer is authorized to do an insurance business and in which the policyholder is domiciled or has its principal place of business or otherwise has a bona fide situs.] Transactions in this Commonwealth where:

(i) the master policy was lawfully issued and delivered in and pursuant to the laws of the state in which the insurer was authorized to do an insurance business and which the policyholder was domiciled or otherwise had a bona fide situs; and

(ii) the insurer complies with clause 5.1.

(5.1) [Transactions in this Commonwealth, except group credit life or group credit accident and health insurance transactions, involving a group or blanket insurance policy or group annuity contract not exempt under the provisions of clause (5) of this subsection, shall nonetheless be exempt from the provisions of this section if:

(i) they involve a group which conforms to one of the definitions of eligibility for group coverage contained in the laws of this Commonwealth; and,

(ii) the group policy or contract is lawfully issued without this Commonwealth in a jurisdiction in which the insurer is

1 authorized to do an insurance business.

2 It shall be the responsibility of the insurer claiming exemption

3 under this subsection to demonstrate compliance with each of the

4 above conditions.] No group life, group accident and health

5 insurance, group credit life insurance, group credit accident

6 and health insurance, blanket accident and health insurance, or

7 group annuities may be offered, delivered or issued for delivery

8 to residents of this Commonwealth under a policy of group life

9 or accident and health insurance or group credit life insurance,

10 group credit accident and health insurance, blanket accident and

11 health insurance or group annuities issued outside this

12 Commonwealth unless such insurance complies with all laws

13 relating to group insurance issued within this Commonwealth,

14 except as those laws include a definition of group: Provided,

15 however, That this section shall not apply to group insurance

16 offered as part of a collective bargaining agreement: And,

17 provided further, That the commissioner may exempt, in whole or

18 in part, particular policies from the effect of this section if

19 he determines, pursuant to regulation, that application of this

20 section to the policies is inappropriate and not consistent with

21 the purposes of this section.

22 * * *

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