

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 853**      Session of  
2007

INTRODUCED BY BOSCOLA, MAY 9, 2007

REFERRED TO BANKING AND INSURANCE, MAY 9, 2007

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," providing for additional  
12 notification requirements relating to annuity contracts.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. Section 410E heading of the act of May 17, 1921  
16 (P.L.682, No.284), known as The Insurance Company Law of 1921,  
17 added November 5, 1981 (P.L.325, No.116), is amended and  
18 subsection (b) is amended by adding a paragraph to read:

19 Section 410E. Notice of Contractholder's Right to Examine  
20 Annuity or Pure Endowment Contracts and Notification Relating to  
21 Annuity Contracts.---\* \* \*

22 (b) \* \* \*

1       (1.1) No mutual fund may be sold through, as part of, or in  
2 conjunction with the sale of an annuity contract unless a one-  
3 page notice is affixed to the front of the fund prospectus  
4 which:

5       (i) explains that, inasmuch as the fund is being purchased  
6 through, as part of, or in conjunction with an insurance  
7 product, the return generated by the fund and paid to the buyer  
8 will be reduced by certain fees not usually associated with the  
9 purchase of such a fund; and

10       (ii) enumerates by type and amount each fee or expense which  
11 will, or which is likely to be, incurred as a result of the  
12 presence of an insurance component in the transaction,  
13 including, but not limited to, mortality and risk charges.

14       \* \* \*

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