

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 520 Session of 2021

INTRODUCED BY R. MACKENZIE, HENNESSEY, JONES, JOZWIAK, MILLARD, ROTHMAN AND RYAN, FEBRUARY 11, 2021

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, SEPTEMBER 28, 2021

AN ACT

1 Amending the act of October 16, 1996 (P.L.712, No.127), entitled
2 "An act exempting the issuance by a qualified charity of a
3 qualified charitable gift annuity from regulation under
4 insurance laws," further providing for definitions AND FOR <--
5 EXEMPTION FROM REGULATION.

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

8 Section 1. Paragraph (2)(iv) of the definition of "qualified
9 charitable gift annuity" and paragraph (3) of the definition of
10 "qualified charity" in section 2 of the act of October 16, 1996
11 (P.L.712, No.127), known as the Charitable Gift Annuity
12 Exemption Act, are amended and the section is amended by adding
13 a definition to read:

14 Section 2. Definitions.

15 The following words and phrases when used in this act shall
16 have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

18 "De-risking annuity contract." An annuity purchased from a <--
19 ~~commercial annuity company~~ AN INSURANCE COMPANY LICENSED, <--

1 AUTHORIZED OR OTHERWISE APPROVED BY THE INSURANCE DEPARTMENT by  
2 a charity that matches substantially all future payments of the  
3 charity arising from a charitable gift annuity contract  
4 obligation.

5 "Qualified charitable gift annuity." An annuity which:

6 \* \* \*

7 (2) Contains in a written agreement substantially all of  
8 the following provisions:

9 \* \* \*

10 (iv) A statement as to whom the donor may contact to  
11 obtain a copy of the following information:

12 (A) the organization's status under section  
13 170(c) of the Internal Revenue Code of 1986 (Public  
14 Law 99-514, 26 U.S.C. § 170(c)) or any successor  
15 provisions; and

16 (B) financial statements filed with a  
17 governmental agency or audited financial statements  
18 from the charity showing that the charity has  
19 unrestricted and unencumbered assets in the form of  
20 cash, cash equivalents, de-risking annuity contracts  
21 or publicly traded securities of at least \$100,000  
22 plus one-half of the principal value of any annuities  
23 issued by the organization and then in effect.

24 \* \* \*

25 "Qualified charity." An organization which on the date a  
26 qualified charitable gift annuity is issued meets all of the  
27 following criteria:

28 \* \* \*

29 (3) Has unrestricted and unencumbered assets in the form  
30 of cash, cash equivalents, de-risking annuity contracts or

1 publicly traded securities of at least \$100,000 plus one-half  
2 of the principal value of any annuities issued by the  
3 organization and then in effect.

4 \* \* \*

5 SECTION 2. SECTION 3 OF THE ACT IS AMENDED TO READ: <--

6 SECTION 3. EXEMPTION FROM REGULATION.

7 THE LAWS OF THIS COMMONWEALTH REGULATING INSURANCE,  
8 INCLUDING, BUT NOT LIMITED TO, THE ACT OF MAY 17, 1921 (P.L.682,  
9 NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF 1921, AND THE ACT  
10 OF MAY 17, 1921 (P.L.789, NO.285), KNOWN AS THE INSURANCE  
11 DEPARTMENT ACT OF 1921, SHALL NOT APPLY TO THE ISSUANCE BY A  
12 QUALIFIED CHARITY OF A QUALIFIED CHARITABLE GIFT ANNUITY. THIS  
13 SECTION SHALL NOT APPLY TO DE-RISKING ANNUITY CONTRACTS.

14 Section ~~2~~ 3. This act shall take effect in 60 days. <--