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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1283 Session of  
2019

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

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REFERRED TO COMMITTEE ON INSURANCE, APRIL 25, 2019

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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 or assumption of contract.

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 or assumption of contract.

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

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

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

1 to read:

2 § 8124. Exemption of particular property.

3 \* \* \*

4 (b) Retirement funds and accounts.--

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

8 \* \* \*

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

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

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

23 \* \* \*

24 (3) Nothing contained in paragraph (1)(x) shall limit  
25 collective bargaining rights that a collective bargaining  
26 unit may have.

27 \* \* \*

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