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I N  S E N A T E

January 26, 2016

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to permissible group annuity contracts

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subsection (b) of section 4238 of the insurance law is amended by adding a new paragraph 12 to read as follows:

(12) A CONTRACT ISSUED TO AN INSURER ON BEHALF OF SUCH INSURER'S SEPARATE ACCOUNT, ESTABLISHED:

(A) TO HOLD THE ASSETS RELATING TO, AND TO FUND OBLIGATIONS UNDER LIFE INSURANCE POLICIES ISSUED BY, SUCH INSURER TO BANKS OR CORPORATIONS; OR

(B) FOR THE BENEFITS OF:

(I) ANY EMPLOYEE PENSION OR WELFARE BENEFIT PLAN THAT IS COVERED BY THE EMPLOYEE RETIREMENT AND INCOME SECURITY ACT (ERISA); OR

(II) A PLAN DESCRIBED IN INTERNAL REVENUE CODE SECTIONS 401(A), 401(K), 403(B), 408(K) OR 408(P); OR

(III) A GOVERNMENT OR CHURCH PLAN DEFINED IN 26 U.S.C. S 414, A GOVERNMENT OR CHURCH WELFARE BENEFIT PLAN, OR A DEFERRED COMPENSATION PLAN OF A STATE OR LOCAL GOVERNMENT OR TAX EXEMPT ORGANIZATION UNDER 26 U.S.C. S 457; OR

(IV) A NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT ESTABLISHED OR MAINTAINED BY AN EMPLOYER OR PLAN SPONSOR; OR

(V) ANY OTHER GROUP APPROVED BY THE SUPERINTENDENT UPON A FINDING THAT: (I) THERE IS A COMMON ENTERPRISE OR ECONOMIC OR SOCIAL AFFINITY OR RELATIONSHIP; (II) THE PREMIUMS CHARGED ARE REASONABLE IN RELATION TO THE BENEFITS PROVIDED; AND (III) THE ISSUANCE OF THE POLICY WOULD RESULT IN ECONOMIES OF ACQUISITION OR ADMINISTRATION, WOULD BE ACTUARIALLY SOUND, AND WOULD NOT BE CONTRARY TO THE BEST INTEREST OF THE PUBLIC. THE SUPERINTENDENT SHALL PROMULGATE REGULATIONS SETTING FORTH ANY SUCH GROUPS THAT HAVE BEEN QUALIFIED PURSUANT TO THIS ITEM.

S 2. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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