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I N A S S E M B L Y

May 16, 2016

Introduced by M. of A. CAHILL -- read once and referred 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:

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

3 (12) A CONTRACT ISSUED TO AN INSURER ON BEHALF OF SUCH INSURER'S SEPA-  
4 RATE ACCOUNT, ESTABLISHED:

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

7 (B) FOR THE BENEFITS OF:

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

10 (II) A PLAN DESCRIBED IN INTERNAL REVENUE CODE SECTIONS 401(A),  
11 401(K), 403(B), 408(K) OR 408(P); OR

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

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

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

26 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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