

STATE OF NEW YORK

9330

IN ASSEMBLY

February 23, 2022

Introduced by M. of A. CAHILL -- read once and referred to the Committee on Insurance

AN ACT in relation to authorizing and empowering CREF to combine with TIAA, with TIAA continuing in existence as the surviving entity following such combination and with CREF ceasing to be a corporate entity; and to repeal chapter 124 of the laws of 1952, relating to incorporating the college retirement equities fund for the benefit of the teaching profession

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Chapter 124 of the laws of 1952, relating to incorporating
2 the college retirement equities fund for the benefit of the teaching
3 profession, is REPEALED.

4 § 2. Definitions. For purposes of this act the following terms shall
5 have the following meanings:

6 (a) "CREF" shall mean the College Retirement Equities Fund, formed
7 pursuant to chapter 124 of the laws of 1952 as a companion organization
8 to TIAA for the issuance of variable annuity contracts;

9 (b) "CREF Board of Governors" shall mean the individuals designated as
10 governors of CREF, pursuant to chapter 124 of the laws of 1952, who are
11 the sole members of CREF;

12 (c) "Plan of Combination" shall mean the agreement and plan of combi-
13 nation of TIAA and CREF adopted and approved in accordance with the
14 provisions of this act;

15 (d) "Superintendent" shall mean the superintendent of the New York
16 state department of financial services;

17 (e) "TIAA" shall mean the Teachers Insurance and Annuity Association
18 of America, an insurance company formed pursuant to the laws of New
19 York;

20 (f) "TIAA Board of Governors" shall mean the corporation formed pursu-
21 ant to chapter 880 of the laws of 1937, which is the sole owner of the
22 issued and outstanding stock of TIAA; and

23 (g) "TIAA Separate Account" shall mean the separate account of TIAA
24 created in connection with the Plan of Combination.

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

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1 § 3. (a) Subject to the provisions of this act and the terms set forth
2 in the Plan of Combination, CREF is hereby authorized and empowered to
3 combine with TIAA, with TIAA continuing in existence as the surviving
4 entity following such combination and with CREF ceasing to be a corpo-
5 rate entity. TIAA shall continue to be an insurance company established
6 pursuant to the laws of the state of New York. The TIAA Separate Account
7 shall be subject to the insurance laws of the state of New York, and
8 neither the combination nor any transactions contemplated by the Plan of
9 Combination shall subject TIAA, as the surviving entity, or the TIAA
10 Separate Account, to the not-for-profit corporation law. The TIAA Board
11 of Governors shall remain subject to the not-for-profit corporation law.

12 (b) Such combination shall be deemed a merger under the laws of the
13 state of New York, including any laws applicable to insurance companies
14 or not-for-profit corporations, and shall be approved by not less than
15 two-thirds of the individual governors of the CREF Board of Governors as
16 the sole members of CREF, and not less than two-thirds of the individual
17 members of the TIAA Board of Governors as the sole shareholder of TIAA.
18 Thereafter, the Plan of Combination shall be submitted to the Super-
19 intendent for approval. Following the receipt of all necessary corpo-
20 rate and regulatory approvals, including authorization by the TIAA and
21 CREF Boards of Governors and TIAA and CREF boards of trustees, a certi-
22 fied copy of the Plan of Combination with the approval of the Super-
23 intendent endorsed thereon shall be filed in the office of the clerk of
24 New York County, and upon such filing the combination shall become
25 effective.

26 § 4. (a) At the effective time of and pursuant to the Plan of Combina-
27 tion, all assets and liabilities of CREF including causes of action and
28 defenses thereto, shall vest by operation of law in TIAA, and all vari-
29 able annuity contracts and certificates issued by CREF and in force at
30 the effective time of the combination, shall be and become TIAA variable
31 annuity contracts and certificates as of the effective time of the
32 combination; provided, however, that at the effective time of the combi-
33 nation (i) without further act or deed, the assets and liabilities of
34 CREF relating to the outstanding variable annuity contracts and certifi-
35 cates of CREF shall immediately be assets and liabilities of and allo-
36 cated to the TIAA Separate Account without such assets becoming general
37 account assets of TIAA; and (ii) each investment account of CREF imme-
38 diately prior to the combination shall comprise an investment sub-ac-
39 count of the TIAA Separate Account, with the assets and liabilities of
40 each such investment account vesting immediately and directly in that
41 investment sub-account.

42 (b) At the effective time, TIAA shall assume the obligations of the
43 CREF contracts and certificates, and all holders of CREF contracts and
44 certificates shall be notified of the combination.

45 (c) At all times, the assets of the TIAA Separate Account, and of each
46 investment sub-account, shall be segregated from the assets of the
47 general account of TIAA and any other TIAA separate account and invest-
48 ment sub-account. That portion of the assets of the TIAA Separate
49 Account, and of each investment sub-account, not exceeding the reserves
50 and other contract liabilities with respect to the TIAA Separate Account
51 and each investment sub-account, shall not be chargeable with liabil-
52 ities arising out of any other business of TIAA. The income, gains and
53 losses, whether or not realized, from assets allocated to the TIAA Sepa-
54 rate Account, and each investment sub-account, shall be credited to or
55 charged against the TIAA Separate Account and each investment sub-ac-
56 count without regard to other income, gains or losses of TIAA.

1 § 5. This act shall take effect immediately, provided, however, that
2 section one of this act shall take effect at the effective time of the
3 combination of TIAA and CREF pursuant to this act, and provided further,
4 that the Superintendent of the New York state department of financial
5 services shall notify the legislative bill drafting commission upon the
6 occurrence of such effective time in order that the commission may main-
7 tain an accurate and timely database of the official text of the laws of
8 the State of New York in furtherance of effectuating the provisions of
9 section 44 of the legislative law and section 70-b of the public offi-
10 cers law.