§ 7703. Scope. (a) (1) This article shall apply to direct life insurance policies, health insurance policies, annuity contracts, funding agreements, and supplemental contracts issued by a life insurance company, health insurance company, or property/casualty insurance company licensed to transact life or health insurance or annuities in this state at the time the policy, contract, or funding agreement was issued or on the date of entry of a court order of liquidation or rehabilitation with respect to such a company that is an impaired or insolvent insurer, as the case may be.

(2) Except as otherwise provided in this section, this article shall apply to the policies, contracts, and funding agreements specified in paragraph one of this subsection with regard to a person who is:

(A) an owner or certificate holder under a policy, contract, or funding agreement and in each case who:

(i) is a resident of this state; or

(ii) is not a resident of this state, but only under all of the following conditions:

(I) the insurer that issued the policy, contract, or agreement is domiciled in this state;

(II) the state or states in which the person resides has or have a guaranty entity similar to the corporation created by this article; and

(III) the person is not eligible for coverage by a guaranty entity in any other state because the insurer was not licensed or authorized in that state at the time specified in that state's guaranty entity law;

(B) the beneficiary, assignee, or payee of the person specified in subparagraph (A) of this paragraph, regardless of where the person resides; or

(C) a health care provider that has rendered services to a person specified in subparagraph (A) of this paragraph.

(3) Except as otherwise provided in this section:

(A) with regard to a group annuity contract (or portion of any such contract) that does not guarantee annuity benefits with respect to any specific individual identified in the contract, this article shall apply to a person who is the owner of such a contract:

(i) if the contract is issued to or in connection with a specific benefit plan where the plan sponsor has its principal place of business in this state; provided, however, that for the purpose of this

subparagraph:

(I) "plan sponsor" shall mean:

(aa) the employer in the case of a benefit plan established or maintained by a single employer;

(bb) the employee organization in the case of a benefit plan established or maintained by an employee organization, provided that "employee organization" shall mean any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which employees participate and that exists for the purpose, in whole or in part, of dealing with employers concerning an employee benefit plan, or other matters incidental to employment relationships, or any employees' beneficiary association organized for the purpose in whole or in part, of establishing such a plan; or

(cc) in the case of a benefit plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan; and

(II) "principal place of business" shall mean:

(aa) the state in which the individuals who establish policy for the direction, control, and coordination of the operations of the entity as a whole primarily exercise that function, except that if more than fifty percent of the participants in the benefit plan are employed in a single state, then that state shall be deemed to be the principal place of business of the plan sponsor; or

(bb) with regard to a plan sponsor of a benefit plan described in subitem (cc) of clause (I) of this item, the principal place of business, as determined pursuant to subitem (aa) of this clause, of the employer or employee organization that has the largest investment in the benefit plan; or

(ii) issued to or in connection with a government lottery if the owner is a resident; and

(B) with regard to a structured settlement annuity, this section shall apply to a person who is a payee under the structured settlement annuity, or the beneficiary of a payee if the payee is deceased, if the payee (or beneficiary):

(i) is a resident, regardless of where the owner of the structured settlement annuity resides; or

(ii) is not a resident, but only under the following conditions:

(I) (aa) the owner of the structured settlement annuity is a resident; or

(bb) the owner of the structured settlement annuity is not a resident, but the insurer that issued the structured settlement annuity is domiciled in this state and the state in which the owner resides has a guaranty entity similar to the corporation created by this article; and

(II) neither the payee (or beneficiary) nor the owner of the structured settlement annuity is eligible for coverage by a guaranty entity of the state in which the payee (or beneficiary) or owner resides.

(b) This article shall not apply to:

(1) that portion or part of a variable life insurance policy, variable annuity contract or variable funding agreement not guaranteed by an insurer;

(2) that portion or part of any policy, contract or agreement under which the risk is borne by the holder thereof;

(3) any policy, contract, or agreement, or part thereof, assumed by the impaired or insolvent insurer under a contract of reinsurance, other than reinsurance for which assumption certificates have been issued;

(4) any policy, contract, or agreement issued by or through the facilities of the New York Insurance Exchange, Inc., or any similar entity, or pursuant to article sixty-three of this chapter;

(5) any policy, contract, or agreement issued or issued for delivery outside the United States, to the extent it covers persons not citizens or permanent residents of the United States; and

(6) any policy, contract, or agreement payable other than in United States dollars.

(c) This article shall not apply to a person:

(1) who is a payee, or the beneficiary of a payee if the payee is deceased, of an owner resident if the payee (or beneficiary) is afforded any coverage by a guaranty entity of another state; or

(2) covered under subparagraph (A) of paragraph three of subsection (a) of this section if the guaranty entity of another state provides any coverage to the person.