

No. 166

AN ACT

HB 649

Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties, and repealing existing laws," further providing for transactions in this Commonwealth involving group or blanket insurance or group annuities.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Clause (5) of subsection (e) of section 208, act of May 17, 1921 (P.L.789, No.285), known as "The Insurance Department Act of one thousand nine hundred and twenty-one," amended July 31, 1968 (P.L.763, No.239), is amended and the subsection is amended by adding a clause to read:

Section 208. Certificates of Authority To Do Business.—

* * *

(e) The provisions of this section shall not apply to the following:

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(5) Transactions in this Commonwealth, **[involving group or blanket insurance or group annuities where the master policy of such group was lawfully issued and delivered in a state in which the company was authorized to do an insurance business] except group credit life or group credit accident and health insurance transactions, involving group or blanket insurance policies or group annuity contracts where the group policy or contract is issued and delivered pursuant to the group or blanket insurance or group annuity laws of a jurisdiction in which the insurer is authorized to do an insurance business and in which the policyholder is domiciled or has its principal place of business or otherwise has a bona fide situs.**

(5.1) Transactions in this Commonwealth, except group credit life or group credit accident and health insurance transactions, involving a group or blanket insurance policy or group annuity contract not exempt under the provisions of clause (5) of this subsection, shall nonetheless be exempt from the provisions of this section if:

(i) they involve a group which conforms to one of the definitions of eligibility for group coverage contained in the laws of this Commonwealth; and,

(ii) the group policy or contract is lawfully issued without this Commonwealth in a jurisdiction in which the insurer is authorized to do an insurance business.

It shall be the responsibility of the insurer claiming exemption under this subsection to demonstrate compliance with each of the above conditions.

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Section 2. This act shall take effect immediately.

APPROVED—The 9th day of July, A. D. 1976.

MILTON J. SHAPP