



General Assembly

**Amendment**

February Session, 2014

LCO No. 4965

\*HB0559504965HDO\*

Offered by:

REP. FOX, 146<sup>th</sup> Dist.

REP. MEGNA, 97<sup>th</sup> Dist.

To: Subst. House Bill No. 5595

File No. 638

Cal. No. 408

**"AN ACT CONCERNING COLLATERAL SOURCE PAYMENTS IN PERSONAL INJURY AND WRONGFUL DEATH ACTIONS AND REQUIRED DISCLOSURES UPON THE PURCHASE OF AN ANNUITY TO FUND PENSION BENEFITS."**

1 Strike section 3 in its entirety and substitute the following in lieu  
2 thereof:

3 "Sec. 3. (NEW) (*Effective October 1, 2014*) (a) For the purposes of this  
4 section:

5 (1) "Insurer" has the same meaning as provided in section 38a-1 of  
6 the general statutes;

7 (2) "Employer" means any person engaged in business in this state  
8 who has two or more employees, but does not include the state or any  
9 political subdivision thereof; and

10 (3) "Pension plan" means an "employee pension benefit plan", as  
11 defined in 29 USC 1002(2)(A).

12 (b) On and after October 1, 2014, each insurer that issues an  
13 allocated or unallocated annuity contract on a group basis to an  
14 employer or a defined benefit pension plan on behalf of an employer,  
15 for the purpose of providing retirement benefits to employees or  
16 former employees of the employer, which group annuity contract will  
17 not be protected under the Employee Retirement Income Security Act  
18 of 1974 or the federal Pension Benefit Guaranty Corporation, shall  
19 provide the following disclosures in writing to each employee or  
20 former employee who is an intended annuitant, beneficiary or payee  
21 under the group annuity contract or the pension plan not later than  
22 fifteen days after the effective date of such annuity contract:

23 (1) If the group annuity contract replaces or supersedes a defined  
24 benefit pension plan previously provided under the Employee  
25 Retirement Income Security Act of 1974, a statement that the employee  
26 or former employee will no longer have protection under the  
27 Employee Retirement Income Security Act of 1974 or the federal  
28 Pension Benefit Guaranty Corporation;

29 (2) A statement regarding the existence of the Connecticut Life and  
30 Health Insurance Guaranty Association created under section 38a-863  
31 of the general statutes, or any subsequent corresponding guaranty  
32 association that provides coverage to annuitants and beneficiaries or  
33 payees of annuity contracts residing in this state, and the coverage that  
34 may be provided by the association in the event of the insurer's  
35 financial impairment or insolvency, as set forth on the association's  
36 Internet web site or in other materials published by the association;

37 (3) A statement that payments under the annuity contract may not  
38 be exempt from the claims of creditors;

39 (4) A statement that includes (A) the funding levels of the insurer's  
40 assets as compared to the insurer's expected liabilities under the  
41 assumed pension benefit schedules; and (B) an investment  
42 performance summary by asset class; and

43 (5) Information on how the employee or former employee may

44 obtain more detailed information regarding the segregated assets held  
45 in support of the annuity contract at a reasonable cost to the employee  
46 or former employee.

47 (c) Each insurer that is required to provide disclosures to an  
48 employee or former employee pursuant to subsection (b) of this section  
49 shall provide an annual statement to such employee or former  
50 employee that includes the information set forth in subdivisions (4)  
51 and (5) of subsection (b) of this section. Such annual statement shall  
52 also include a brief explanation of any material changes, since the last  
53 annual statement or disclosure, in actuarial assumptions used by the  
54 insurer with respect to the annuity contract. Such insurer shall provide  
55 the annual statement not later than April first of each year after the  
56 calendar year in which the disclosures required under subsection (b) of  
57 this section were due."