



General Assembly

February Session, 2014

Amendment

LCO No. 5414

HB0559505414HDO

Offered by:

REP. FOX, 146th Dist.
REP. MEGNA, 97th Dist.
SEN. LOONEY, 11th Dist.
SEN. CRISCO, 17th 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) "Defined benefit plan" means a defined benefit plan, as defined
8 in 26 USC 414(j);

9 (3) "Employer" means any person engaged in business in this state

10 who has two or more employees, but does not include the state or any
11 political subdivision thereof; and

12 (4) "Pension plan" means an "employee pension benefit plan", as
13 defined in 29 USC 1002(2)(A).

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

29 (1) A statement that the employee or former employee will no
30 longer have protection under the Employee Retirement Income
31 Security Act of 1974 or the federal Pension Benefit Guaranty
32 Corporation;

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

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

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

47 (5) Information on how the employee or former employee may
48 obtain more detailed information regarding the segregated assets held
49 in support of the annuity contract at a reasonable cost to the employee
50 or former employee.

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