

No. 196

AN ACT

HB 1750

Amending the act of May 17, 1921 (P.L.682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," further regulating the establishment and maintenance of separate accounts by life insurance companies.

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

Section 1. Subsection (b) of section 406.2, act of May 17, 1921 (P.L.682), known as "The Insurance Company Law of 1921," added August 24, 1963 (P.L.1194), is amended to read:

Section 406.2. Separate Accounts.—* * *

(b) Any income and gains or losses realized or unrealized on each such separate account shall *in accordance with applicable contracts* be credited to or charged against the amount allocated to such separate account without regard to the other income, gains or losses of such company *or of any other separate account established by such company. The assets and liabilities of each such separate account shall be clearly identifiable and distinguishable from the assets and liabilities of the company and of any other separate account established by such company. That portion of the assets held in any such separate account equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the company may conduct including any other separate account established by such company. If pursuant to the terms of an annuity contract or class of annuity contracts issued by such company, amounts allocated to a separate account pursuant to subsection (a) hereof are to be invested in shares of a specified regulated investment company, which shares are to be held for the exclusive benefit of applicable contracts, such shares shall be deemed to be a separate account pursuant to subsection (a).*

* * *

Section 2. This act shall take effect immediately.

APPROVED—The 23rd day of July, A. D. 1970.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly
No. 196.



Joseph P. Kelly II
Secretary of the Commonwealth.