

2026 Regular Session

HOUSE BILL NO. 1151

BY REPRESENTATIVE BAYHAM

INSURANCE: Provides relative to the equity and investments of domestic insurers

1 AN ACT

2 To amend and reenact R.S. 22:601.8, relative to the investments of domestic insurers; to
3 provide for solvency; to provide for equity interests of life insurers and insurers other
4 than life insurers; to provide for limitations on equity held by an insurer; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:601.8 is hereby amended and reenacted to read as follows:

8 §601.8. Equity interests

9 A. ~~An insurer may acquire preferred stocks in any United States business~~
10 ~~entity if, as a result of and after giving effect to the investment:~~

11 ~~(1) Securities of a single issuer and its affiliates, other than the government~~
12 ~~of the United States and subsidiaries authorized pursuant to R.S. 22:691.3, shall no~~
13 ~~exceed three percent of admitted assets.~~

14 ~~(2) The aggregate amount of preferred stocks then held by the insurer under~~
15 ~~this Subsection does not exceed twenty-five percent of its admitted assets.~~

16 B. An insurer may acquire equity interests in solvent business entities that
17 meet any of the following criteria:

18 (1) Domiciled in the United States.

19 (2) Domiciled in a foreign jurisdiction if listed on a qualified exchange.

20 (3) Permitted pursuant to R.S. 22:601.12.

1 ~~C.~~ B.(1) A life insurer shall not acquire an investment pursuant to this
2 Section if, as a result of and after giving effect to the investment, any of the
3 following would occur:

4 (a) The aggregate amount of all equity interests then held by the insurer
5 would exceed twenty percent of its admitted assets.

6 (b) The amount of equity interests then held by the insurer that are not listed
7 on a qualified exchange would exceed five percent of its admitted assets.

8 (2) A life insurer shall not acquire any investments that the insurer may
9 acquire pursuant to another Section of this Subpart, if the acquisition would result
10 in the life insurer exceeding the limitations set forth in this Section.

11 (3) A life insurer shall not short sell equity investments, unless the insurer
12 covers the short sale by owning the equity investment or an unrestricted right to the
13 equity instrument exercisable within six months of the short sale.

14 (4) The provisions of this Subsection do not apply to an accident or health
15 insurer who files under a life insurer. Such insurer shall be subject to the provisions
16 of Subsection C of this Section.

17 C. For insurers other than life insurers:

18 (1) An insurer may acquire preferred stocks in any United States business
19 entity if, as a result of and after giving effect to the investment, the following
20 requirements are met:

21 (a) Securities of a single issuer and its affiliates, other than the government
22 of the United States and subsidiaries authorized pursuant to R.S. 22:691.3, do not
23 exceed three percent of admitted assets.

24 (b) The aggregate amount of preferred stocks then held by the insurer
25 pursuant to this Subsection does not exceed twenty-five percent of its admitted
26 assets.

27 (2) An insurer shall not acquire an investment pursuant to this Section if, as
28 a result of and after giving effect to the investment:

1 ~~(1)~~ (a) The aggregate amount of investments then held by the insurer ~~under~~
2 pursuant to this Section, excluding exchange-traded funds and mutual funds, would
3 exceed fifty percent of its admitted assets, or the amount of equity interests then held
4 by the insurer that are not listed on a qualified exchange would exceed five percent
5 of its admitted assets.

6 ~~(2)~~ (b) The aggregate amount of exchange-traded fund and mutual fund
7 investments then held by the insurer ~~under~~ pursuant to this Section would exceed the
8 greater of fifty percent of its admitted assets or one hundred percent of its surplus as
9 regards policyholders. The investment in any one fund shall be limited to ten percent
10 of admitted assets.

11 (3) Notwithstanding any provision of this Subsection to the contrary, the
12 aggregate amount of all equity interests then held by the insurer pursuant to this
13 Section, including preferred stocks, exchange-traded funds, mutual funds, and any
14 other equity interests whether held directly or indirectly, shall not exceed the greater
15 of fifty percent of the insurer's admitted assets or one hundred percent of the insurer's
16 surplus as regards policyholders.

17 D. If the commissioner considers it desirable in order to properly evaluate
18 the investment portfolio of an insurer, the commissioner may require that
19 investments in exchange-traded funds, mutual funds, pooled investment vehicles, or
20 other investment companies be treated for purposes of this Subpart as if the investor
21 owned directly its proportional share of the assets owned by the exchange-traded
22 fund, mutual fund, pooled investment vehicle, or investment company.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1151 Original

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Bayham

Abstract: Permits insurers to acquire equity interests in solvent business entities. Prohibits life insurer from acquiring certain investments. Applies applicable provisions to life insurers and insurers other than life insurers. Limits the aggregate amount of all equity interests held by an insurers.

Present law permits an insurer to acquire preferred stocks in any United States business entity if certain conditions are met. Proposed law removes present law.

Proposed law retains present law that permits an insurer to acquire equity interests in solvent business entities meeting any of the following criteria:

- (1) Domiciled in the United States.
- (2) Domiciled in a foreign jurisdiction if listed on a qualified exchange.
- (3) Permitted pursuant to present law (R.S. 22:601.12).

Proposed law prohibits a life insurer from acquiring an investment that meets any of the following conditions:

- (1) The aggregate amount of all equity interests then held by the insurer would exceed 20% of its admitted assets.
- (2) The amount of equity interests then held by the insurer that are not listed on a qualified exchange would exceed 5% of its admitted assets.
- (3) A life insurer shall not acquire any investments that the insurer may acquire pursuant to proposed law, if the acquisition would result in the life insurer exceeding the limitations set forth relative to proposed law.

Proposed law prohibits a life insurer from short-selling equity investments, unless the insurer covers the short sale by owning the equity investment or an unrestricted right to the equity instrument exercisable within 6 months of the short sale.

Proposed law provides applicable provisions relative to preferred stocks and securities for insurers other than life insurers.

Proposed law retains present law relative to the aggregate amount of investments and exchange-traded fund and mutual fund investments held by an insurer. Present law provides that an insurer shall not acquire an investment pursuant to present law, if any of the following conditions are met:

- (1) The aggregate amount of investments then held by the insurer pursuant to present law, excluding exchange-traded funds and mutual funds, would exceed 50% of its admitted assets, or the amount of equity interests then held by the insurer that are not listed on a qualified exchange would exceed five percent of its admitted assets.
- (2) The aggregate amount of exchange-traded fund and mutual fund investments then held by the insurer pursuant to present law would exceed the greater of 50% of its admitted assets or one 100% of its surplus as regards policyholders. The investment in any one fund is limited to 10% of admitted assets.

(Amends R.S. 22:601.8)