

2026 Regular Session

HOUSE BILL NO. 1151

BY REPRESENTATIVE BAYHAM

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:

29                    ~~(+)~~ (a) The aggregate amount of investments then held by the insurer ~~under~~  
 30                    pursuant to this Section, excluding exchange-traded funds and mutual funds, would

1 exceed fifty percent of its admitted assets, or the amount of equity interests then held  
2 by the insurer that are not listed on a qualified exchange would exceed five percent  
3 of its admitted assets.

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

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

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_