

GREEN SHEET REDIGEST

HB 460

2016 Regular Session

Abraham

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

INSURERS: Provides authority for domestic insurers to invest in certain foreign securities

DIGEST

Present law authorizes domestic insurers to invest in the securities of foreign nations subject to certain requirements and restrictions.

Proposed law additionally authorizes domestic insurers to invest in the securities of foreign nations subject to the following requirements and restrictions:

- (1) The securities shall not be in default, shall be issued in the U.S. Market, and shall be denominated in U.S. dollars.
- (2) The securities shall be the direct legal obligation of a foreign nation that is a member of the Organization for Economic Co-operation and Development, for which investments in or business transactions with are not prohibited or restricted by any law, regulation, or rule of the U.S. or this state.
- (3) The full faith and credit of the foreign nation shall have been pledged for the payment of principal and interest of its securities and the foreign nation has not defaulted and has met its payment obligations in a timely manner on all similar obligations for a period of at least the immediately preceding 25 years.
- (4) The debt of the issuing country shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better by Moody's, Inc. or an equivalent investment grade by a securities ratings organization accepted by the National Association of Insurance Commissioners.
- (5) The total investment of the insurer in such foreign securities at any one time shall not exceed 5% of an insurer's admitted assets.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:589(C); adds R.S. 22:589(D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the reengrossed bill

1. Makes technical changes.