

By: Hancock

S.B. No. 841

A BILL TO BE ENTITLED

AN ACT

relating to certain authorized investments under the Insurance Code.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (d), Section 424.064, Insurance Code, is amended to read as follows:

(d) Except as provided by Section 862.002, an insurer may not own, develop, or hold an equity interest in any residential property or subdivision, single or multiunit family dwelling property, or undeveloped real property to subdivide for or develop residential, single or multiunit family dwellings. This subsection does not apply to an insurer with admitted assets of \$10 billion or more.

SECTION 2. Subsections (a) and (b), Section 424.068, Insurance Code, are amended to read as follows:

(a) In addition to the investments in Canada authorized by Sections 424.051, 424.058-424.071, and 424.074 and subject to this section, an insurer may invest the insurer's funds in excess of minimum capital and surplus or invest in debt obligations and investments in ~~[an investment in]~~ a foreign commonwealth, territory, or possession of the United States or ~~[r]~~ a foreign country other than Canada, or invest in debt obligations and investments within a foreign commonwealth, territory, or possession of the United States or within a foreign country other

1 than Canada [~~a foreign security originating in one of those~~  
2 ~~commonwealths, territories, possessions, or countries~~], if:

3 (1) the investment is similar to investments the  
4 insurer is authorized by Sections 424.051, 424.058-424.071, and  
5 424.074 to make within the United States or Canada; and

6 (2) the [~~if a~~] debt obligation or [~~the~~] investment is  
7 rated one or two by the securities valuation office.

8 (b) The aggregate amount of an insurer's investments in a  
9 single foreign jurisdiction under Sections 424.051,  
10 424.058-424.071, and 424.074 or of an insurer's debt obligations or  
11 investments within [~~in~~] a single foreign jurisdiction may not  
12 exceed:

13 (1) as to a foreign jurisdiction that is given a  
14 sovereign debt rating of one by the securities valuation office, 10  
15 percent of the insurer's admitted assets; [~~or~~]

16 (2) as to a debt obligation or investment within a  
17 foreign jurisdiction that is rated one or two by the securities  
18 valuation office, 10 percent of the insured's admitted assets; or

19 (3) as to any [~~other~~] foreign investment other than an  
20 investment described by Subdivision (1) or (2) [jurisdiction], five  
21 percent of the insurer's admitted assets.

22 SECTION 3. Subsection (f), Section 425.119, Insurance Code,  
23 is amended to read as follows:

24 (f) Except as provided by Subsection (g), an insurance  
25 company may not own, develop, or hold an equity interest in any  
26 residential property or subdivision, single or multiunit family  
27 dwelling property, or undeveloped real property to subdivide for or

1 develop residential or single or multiunit family dwellings. This  
2 subsection does not apply to an insurer with admitted assets of \$10  
3 billion or more, as determined from the insurer's annual statements  
4 that are made as of the December 31 that precedes the date of the  
5 determination and are filed with the department as required by law.

6 SECTION 4. This Act takes effect September 1, 2013.