

By: Hancock
(Smithee)

S.B. No. 841

Substitute the following for S.B. No. 841:

By: Smithee

C.S.S.B. No. 841

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain authorized investments under the Insurance
3 Code.

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

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

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

14 SECTION 2. Sections 424.068(a) and (b), Insurance Code, are
15 amended to read as follows:

16 (a) In addition to the investments in Canada authorized by
17 Sections 424.051, 424.058-424.071, and 424.074 and subject to this
18 section, an insurer may invest the insurer's funds in excess of
19 minimum capital and surplus in [~~an investment in~~] a foreign
20 commonwealth, territory, or possession of the United States or[~~7~~] a
21 foreign country other than Canada, or invest in debt obligations
22 and investments within a foreign commonwealth, territory, or
23 possession of the United States or within a foreign country other
24 than Canada [~~a foreign security originating in one of those~~

1 ~~commonwealths, territories, possessions, or countries,~~ if:

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

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

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

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

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

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

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

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

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

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