

1-1 By: Hancock S.B. No. 841
 1-2 (In the Senate - Filed February 26, 2013; March 5, 2013,
 1-3 read first time and referred to Committee on Business and Commerce;
 1-4 March 20, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; March 20, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 841 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to certain authorized investments under the Insurance
 1-22 Code.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subsection (d), Section 424.064, Insurance Code,
 1-25 is amended to read as follows:

1-26 (d) Except as provided by Section 862.002, an insurer may
 1-27 not own, develop, or hold an equity interest in any residential
 1-28 property or subdivision, single or multiunit family dwelling
 1-29 property, or undeveloped real property to subdivide for or develop
 1-30 residential, single or multiunit family dwellings. This subsection
 1-31 does not apply to an insurer with admitted assets of \$10 billion or
 1-32 more.

1-33 SECTION 2. Subsections (a) and (b), Section 424.068,
 1-34 Insurance Code, are amended to read as follows:

1-35 (a) In addition to the investments in Canada authorized by
 1-36 Sections 424.051, 424.058-424.071, and 424.074 and subject to this
 1-37 section, an insurer may invest the insurer's funds in excess of
 1-38 minimum capital and surplus or invest in debt obligations and
 1-39 investments in [an investment in] a foreign commonwealth,
 1-40 territory, or possession of the United States or [7] a foreign
 1-41 country other than Canada, or invest in debt obligations and
 1-42 investments within a foreign commonwealth, territory, or
 1-43 possession of the United States or within a foreign country other
 1-44 than Canada [a foreign security originating in one of those
 1-45 commonwealths, territories, possessions, or countries], if:

1-46 (1) the investment is similar to investments the
 1-47 insurer is authorized by Sections 424.051, 424.058-424.071, and
 1-48 424.074 to make within the United States or Canada; and

1-49 (2) the [if a] debt obligation or [7, the] investment is
 1-50 rated one or two by the securities valuation office.

1-51 (b) The aggregate amount of an insurer's investments in a
 1-52 single foreign jurisdiction under Sections 424.051,
 1-53 424.058-424.071, and 424.074 or of an insurer's debt obligations or
 1-54 investments within [in] a single foreign jurisdiction may not
 1-55 exceed:

1-56 (1) as to a foreign jurisdiction that is given a
 1-57 sovereign debt rating of one by the securities valuation office, 10
 1-58 percent of the insurer's admitted assets; ~~or~~

1-59 (2) as to a debt obligation or investment within a
 1-60 foreign jurisdiction that is rated one or two by the securities

2-1 valuation office, 10 percent of the insured's admitted assets; or
2-2 (3) as to any ~~other~~ foreign investment other than an
2-3 investment described by Subdivision (1) or (2) ~~jurisdiction~~, five
2-4 percent of the insurer's admitted assets.

2-5 SECTION 3. Subsection (f), Section 425.119, Insurance Code,
2-6 is amended to read as follows:

2-7 (f) Except as provided by Subsection (g), an insurance
2-8 company may not own, develop, or hold an equity interest in any
2-9 residential property or subdivision, single or multiunit family
2-10 dwelling property, or undeveloped real property to subdivide for or
2-11 develop residential or single or multiunit family dwellings. This
2-12 subsection does not apply to an insurer with admitted assets of \$10
2-13 billion or more, as determined from the insurer's annual statements
2-14 that are made as of the December 31 that precedes the date of the
2-15 determination and are filed with the department as required by law.

2-16 SECTION 4. This Act takes effect September 1, 2013.

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