

Investments by Other Than Life and Life Insurance Companies; HB 2066

HB 2066 amends statutes in the Insurance Code governing investments by insurance companies other than life and life insurance companies to unify the language in these complementary statutes; adds definitions for clarification; expands the investments a life insurance company could make to permit all allowable domestic investments to be made on a foreign basis; and allows both life insurance companies and other than life insurance companies to invest in second lien mortgages, with an increase in the loan-to-value ratio for first and second liens from 80 percent to 90 percent, and clarifies that insurers may be indirectly secured by a mortgage.

In the statutes governing investments by life insurance companies and investments by other than life insurance companies, the following additional changes are made:

- “Business entity” replaces references to “corporation” or “company”;
- Definitions for “business entity,” “NAIC” (National Association of Insurance Commissioners), and “SVO” (Securities Valuation Office of the NAIC or any successor office established by the NAIC) are added;
- A more recent quarterly financial statement filed with the Insurance Commissioner is allowed to establish the admitted assets for purposes of investment limits; and
- Clarification the ratings for mortgage-related securities are designated by the SVO or its equivalent rating by a nationally recognized statistical rating organization recognized by the SVO.