

HB 69 -- DOMESTIC INSURER INVESTMENTS

SPONSOR: Rupp

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Insurance Policy by a vote of 15 to 0.

This bill allows domestic insurers to invest their capital, reserve, and surplus in bonds; notes or other evidences of indebtedness; or preferred or guaranteed stocks or shares issued, assumed, or guaranteed by a corporation, a joint stock company, an association, a trust, a business partnership, a business joint venture, and other similar entities. These investments must carry at least the second highest designation rating by the National Association of Insurance Commissioners or a nationally recognized rating agency approved by the Department of Insurance. Life insurance company investments in corporations must also meet the requirements of Sections 375.1070 to 375.1075, RSMo, regarding outlines for investing in medium or lower quality institutions.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill will allow insurers to invest in preferred stocks which will help them stay current with market options. The Department of Insurance supports these changes.

Testifying for the bill were Representative Rupp; Missouri Insurance Coalition; America's Health Insurance Plans; Property Casualty Insurers Association of America; and MetLife.

OPPOSERS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst