

HCS HB 592 -- INSURANCE COMPANY INVESTMENTS

SPONSOR: Gosen

COMMITTEE ACTIONS: Voted "Do Pass" by the Standing Committee on Property, Casualty, and Life Insurance by a vote of 11 to 1. Voted "Do Pass with HCS" by the Select Committee on Insurance by a vote of 11 to 0.

Currently, insurance companies organized under Missouri law having assets of at least \$100 million may invest not more than 5% of their admitted assets in securities, investments, and deposits issued, guaranteed or assumed by a foreign government or foreign corporation. This bill increases the percentage to 20% with not more than 10% in a single foreign jurisdiction having a sovereign debt rating of SVO "1" or 5% of its admitted assets as to any other foreign jurisdiction.

Insurers are also prohibited from acquiring, directly or indirectly through an investment subsidiary, a Canadian investment otherwise permitted under law if the aggregate amount of Canadian investments then held by the insurer would exceed 25% of its admitted assets.

For any insurer authorized to do business in Canada or that has outstanding contracts on risks resident or located in Canada, denominated in Canadian currency, the 25% limitation will be increased by the greater of the amount the insurer is required by applicable Canadian law to invest in Canada or be denominated in Canadian currency, or 125% percent of the amount of the insurer's reserves and other obligations under contracts on risks resident or located in Canada.

PROPOSERS: Supporters say that the bill is model language from the NAIC and this will put property and casualty insurance companies even with life insurance companies in the amount they have available to invest in foreign markets.

Testifying for the bill were Representative Gosen; SwissRe; Missouri Insurance Coalition; Brian Waller, Shelter Insurance; Arch Insurance Company; and Richard S. Brownlee III.

OPPOSERS: There was no opposition voiced to the committee.