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## DIGEST

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HB 1151 Engrossed

2026 Regular Session

Bayham

**Abstract:** Permits insurers to acquire equity interests in solvent business entities. Prohibits life insurer from acquiring certain investments. Applies applicable provisions to life insurers and insurers other than life insurers. Limits the aggregate amount of all equity interests held by an insurers.

Present law permits an insurer to acquire preferred stocks in any United States business entity if certain conditions are met. Proposed law removes present law.

Proposed law retains present law that permits an insurer to acquire equity interests in solvent business entities meeting any of the following criteria:

- (1) Domiciled in the United States.
- (2) Domiciled in a foreign jurisdiction if listed on a qualified exchange.
- (3) Permitted pursuant to present law (R.S. 22:601.12).

Proposed law prohibits a life insurer from acquiring an investment that meets any of the following conditions:

- (1) The aggregate amount of all equity interests then held by the insurer would exceed 20% of its admitted assets.
- (2) The amount of equity interests then held by the insurer that are not listed on a qualified exchange would exceed 5% of its admitted assets.
- (3) A life insurer shall not acquire any investments that the insurer may acquire pursuant to proposed law, if the acquisition would result in the life insurer exceeding the limitations set forth relative to proposed law.

Proposed law prohibits a life insurer from short-selling equity investments, unless the insurer covers the short sale by owning the equity investment or an unrestricted right to the equity instrument exercisable within 6 months of the short sale.

Proposed law provides applicable provisions relative to preferred stocks and securities for insurers other than life insurers.

Proposed law retains present law relative to the aggregate amount of investments and exchange-traded fund and mutual fund investments held by an insurer. Present law provides that an insurer shall not acquire an investment pursuant to present law, if any of the following conditions are met:

- (1) The aggregate amount of investments then held by the insurer pursuant to present law, excluding exchange-traded funds and mutual funds, would exceed 50% of its admitted assets, or the amount of equity interests then held by the insurer that are not listed on a qualified exchange would exceed five percent of its admitted assets.
- (2) The aggregate amount of exchange-traded fund and mutual fund investments then held by the insurer pursuant to present law would exceed the greater of 50% of its admitted assets or one 100% of its surplus as regards policyholders. The investment in any one fund is limited to 10% of admitted assets.

(Amends R.S. 22:601.8)