

2016 Regular Session

HOUSE BILL NO. 1031

BY REPRESENTATIVE CHAD BROWN

AN ACT

To amend and reenact R.S. 22:584(C)(1) and (D)(1)(a), relative to certain investments in real estate investment trusts by domestic insurers; to allow for investments in certain corporations; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:584(C)(1) and (D)(1)(a) are hereby amended and reenacted to read as follows:

§584. Investments in securities

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C.(1)(a) Any domestic life insurer, in addition to the investment permitted by Subsection A of this Section, may invest in the shares of capital stock, American Depository Receipts, which are listed on a national securities exchange, and securities of any solvent corporation ~~(other than a corporation engaged solely in the business of owning and operating real estate, or a corporation having substantially all of its assets invested in the shares of such corporations, except as specifically provided in Subparagraph (b) of this Paragraph)~~ created under the laws of the United States, or of any of the states of the United States, or the District of Columbia, provided that the shares or American Depository Receipts of such corporation are registered on a national securities exchange, as provided in an Act of Congress of the United States, entitled the "Securities Exchange Act of 1934", approved June 6, 1934, as amended, or local exchanges, or are readily marketable, or shares of foreign corporations listed on the New York Stock Exchange ~~or the American Stock Exchange~~, and provided further that such corporation is listed on a national securities exchange at the time of the investment or has earned during any three years of the

1 five-year period next preceding the date of the investment, a sum applicable to
2 dividends equal in the aggregate to not less than twelve percent of the par value (or,
3 in the case of shares having no par value, the stated value) of its outstanding shares.

4 (b) Any domestic life insurer, in addition to the investment permitted by
5 Subsection A of this Section, may invest in the stock of a real estate investment trust
6 (REIT) domiciled in Louisiana or in the stock of a REIT whose stock is listed on the
7 New York Stock Exchange ~~or the American Stock Exchange~~, provided such
8 investment shall not exceed five percent of the total number of shares of any one
9 such trust and that not more than two percent of the insurer's admitted assets are
10 invested in shares of any one such trust. Shares in each such trust which has over
11 one-half of its assets invested in ownership of real estate or which has such
12 ownership as its stated investment objective shall be considered real estate
13 investment for purposes of conforming with the limitation on real estate ownership
14 imposed by Subsection G of this Section.

15 * * *

16 D. Any domestic insurer, in addition to the investments permitted by
17 Subsection A of this Section, may invest an amount equal to its capital and surplus
18 if it is a stock company, and, if it is a company other than stock, it may invest an
19 amount equal to its surplus over all liabilities as follows:

20 (1)(a)(i) In shares of capital stock, American Depository Receipts listed on
21 a national securities exchange, including the National Association of Securities
22 Dealers Automated Quotations (NASDAQ), bonds, securities, or other evidences of
23 indebtedness of any solvent corporation ~~(other than a corporation engaged solely in~~
24 ~~the business of operating real estate or a corporation having substantially all of its~~
25 ~~assets invested in the shares of such corporation except as specifically provided in~~
26 ~~Item (ii) of this Subparagraph)~~ created under the laws of the United States, or the
27 states of the United States, or the District of Columbia, or a foreign corporation
28 whose stock is listed on a national securities exchange, including NASDAQ,
29 provided that such insurer may not, except in the case of shares permitted by
30 Paragraph ~~(9) of Subsection A~~ (A)(9) of this Section, invest in the shares or

American Depositary Receipts of a corporation unless such corporation is listed on a national securities exchange, including NASDAQ, at the time of the investment or has earned during any three years of the five-year period next preceding the date of the investment, a sum applicable to dividends equal in the aggregate to not less than twelve percent of the par value (or, in the case of shares having no par value, the issued value) of its outstanding shares, or if such shares have been issued less than five years, has earned a sum applicable to dividends during the tenure of such issue, equal to not less than four percent per annum of the par value, (or, in the case of shares having no par value, the issued value) of its outstanding shares.

(ii) In the stock of a real estate investment trust (REIT) domiciled in Louisiana or in the stock of a REIT whose stock is listed on the New York Stock Exchange, ~~the American Stock Exchange~~, or NASDAQ, provided such investment shall not exceed five percent of the total number of shares of any one such trust and that not more than two percent of its admitted assets are invested in shares of any one such trust. Shares in each such trust which has over one-half of its assets invested in ownership of real estate or which has such ownership as its stated investment objective shall be considered real estate investment for purposes of conforming with the limitation on real estate ownership imposed by Subsection G of this Section.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____