

RÉSUMÉ DIGEST

ACT 372 (HB 1031)

2016 Regular Session

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Prior law allowed any domestic life insurer to invest in shares of capital stock listed on a national securities exchange and in the securities of a solvent corporation with the following exceptions:

- (1) Corporations engaged solely in the business of owning and operating real estate.
- (2) Corporations having substantially all of its assets invested in the shares of those corporations.

New law repeals those exceptions.

Existing law allows a domestic life insurer to invest up to five percent of its admitted assets in the shares or securities of a REIT (Real Estate Investment Trust) whose stock is listed on the New York Stock Exchange or the American Stock Exchange.

New law retains existing law and additionally allows the domestic life insurer to invest in a REIT domiciled in Louisiana whose stock is not listed on the New York Stock Exchange. New law deletes references to the American Stock Exchange.

With respect to domestic insurers, prior law allowed an insurer to invest in shares of capital stock listed on a national securities exchange, bonds, securities, or other evidences of indebtedness of any solvent corporation with the following exceptions:

- (1) Corporations engaged solely in the business of owning and operating real estate.
- (2) Corporations having substantially all of its assets invested in the shares of those corporations.

New law repeals those exceptions.

Existing law allows the domestic insurer to also invest in a REIT stock whose stock is listed on the New York Stock Exchange or NASDAQ. New law additionally allows the insurer to invest in a REIT domiciled in Louisiana and not listed on the New York Stock Exchange or NASDAQ.

New law does not otherwise change the limitations on investments by domestic insurers contained in existing law.

Effective August 1, 2016.

(Amends R.S. 22:584(C)(1) and (D)(1)(a))