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HOUSE BILL NO. 940

Offered January 24, 2000

A BILL to amend the Code of Virginia by adding in Article 2 of Chapter 14 of Title 38.2 a section numbered 38.2-1442.1, relating to investments of domestic insurers; higher education loans.

Patrons—Bryant, Byron, Cantor, Hargrove, Plum and Woodrum

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 2 of Chapter 14 of Title 38.2 a section numbered 38.2-1442.1 as follows:

§ 38.2-1442.1. Higher education loans.

A domestic insurer may make and invest in student loans that are guaranteed or reinsured as to principal and interest by (i) a state-sponsored or federally-sponsored higher education assistance corporation, to the extent of such guaranty or reinsurance, or (ii) by a private nonprofit or for-profit student loan insurance guarantor or reinsurer that has a net worth of not less than thirty-five million dollars and has a rating of at least BBB by Moody's Investors Service, Inc., or Standard and Poors, Inc. Any such investment shall not exceed, except with the consent of the Commissioner, twenty-five percent of the insurer's net admitted assets based upon the insurer's most recent financial statement filed with the Commission.

INTRODUCED

HB940