

# VIRGINIA ACTS OF ASSEMBLY -- 2008 SESSION

## CHAPTER 93

*An Act to amend and reenact § 38.2-1423 of the Code of Virginia, relating to permitted investments by domestic insurers in preferred stocks.*

[S 182]

Approved March 2, 2008

**Be it enacted by the General Assembly of Virginia:**

**1. That § 38.2-1423 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-1423. Preferred stocks.

A domestic insurer may invest in preferred stocks of any company incorporated under the laws of the United States or any state if:

1. a. The preferred stock under consideration is not in arrears as to dividends if cumulative, or
- b. Full dividends on the preferred stock under consideration have been paid in the last three years, or since issue if issued less than three years before the date of investment, if noncumulative;
2. Required sinking fund payments are on a current basis; and
3. The preferred stock is rated ~~P1, P2, P3, PSF1, PSF2 or PSF3~~ *highest quality, high quality, or medium quality* by the Securities Valuation Office of the National Association of Insurance Commissioners, or if not rated by the Securities Valuation Office, is rated in an equivalent grade by a national rating agency recognized by the Commission.