

State Corporation Commission

2014 Fiscal Impact Statement

1. Bill Number: SB406

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Newman

3. Committee: Passed Senate

4. Title: Insurance companies; permitted investments in foreign securities.

5. Summary: Insurance companies; permitted investments in foreign securities. Increases the portion of a domestic insurer's total admitted assets allowed in foreign investments from 10% to 15%. Increases the permitted aggregate investments in a single foreign jurisdiction which has a sovereign debt rating of SVO 1 from 3% to 5% of the insurer's admitted assets. If the foreign jurisdiction's sovereign debt rating is not SVO 1, the maximum amount of its securities in which the insurer may invest remains 3 percent. Allows investments to be payable in a foreign currency if the investment is effectively hedged against U.S. currency.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The State Corporation Commission Bureau of Insurance worked with interested parties on the provisions of Senate Bill 406. Senate Bill 406 is identical to House Bill 466.

Date: 01/20/14/V. Tompkins
cc: Secretary of Commerce and Trade