CHAPTER 1175

AN ACT

relating to certain authorized investments under the Insurance Code.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (d), Section 424.064, Insurance Code, is amended to read as follows:

(d) Except as provided by Section 862.002, an insurer may not own, develop, or hold an equity interest in any residential property or subdivision, single or multiunit family dwelling property, or undeveloped real property to subdivide for or develop residential, single or multiunit family dwellings. This subsection does not apply to an insurer with admitted assets of $10 billion or more.

SECTION 2. Subsections (a) and (b), Section 424.068, Insurance Code, are amended to read as follows:

(a) In addition to the investments in Canada authorized by Sections 424.051, 424.058-424.071, and 424.074 and subject to this section, an insurer may invest the insurer's funds in excess of minimum capital and surplus in [an investment in] a foreign commonwealth, territory, or possession of the United States or[7] a foreign country other than Canada, or invest in debt obligations and investments within a foreign commonwealth, territory, or possession of the United States or within a foreign country other than Canada [a foreign security originating in one of those]
(1) the investment is similar to investments the
insurer is authorized by Sections 424.051, 424.058-424.071, and
424.074 to make within the United States or Canada; and
(2) the [if a] debt obligation or [the] investment is
rated one or two by the securities valuation office.

(b) The aggregate amount of an insurer's investments in a
single foreign jurisdiction under Sections 424.051,
424.058-424.071, and 424.074 of an insurer's debt obligations or
investments within [a] a single foreign jurisdiction may not
exceed:
(1) as to a foreign jurisdiction that is given a
sovereign debt rating of one by the securities valuation office, 10
percent of the insurer's admitted assets; [xx]
(2) as to a debt obligation or investment within a
foreign jurisdiction that is rated one or two by the securities
valuation office, 10 percent of the insurer's admitted assets; or
(3) as to any [other] foreign investment other than an
investment described by Subdivision (1) or (2) [jurisdiction], five
percent of the insurer's admitted assets.

SECTION 3. Subsection (f), Section 425.119, Insurance Code,
is amended to read as follows:
(f) Except as provided by Subsection (g), an insurance
company may not own, develop, or hold an equity interest in any
residential property or subdivision, single or multiunit family
dwelling property, or undeveloped real property to subdivide for or
develop residential or single or multiunit family dwellings. This
subsection does not apply to an insurer with admitted assets of $10 billion or more, as determined from the insurer's annual statements that are made as of the December 31 that precedes the date of the determination and are filed with the department as required by law.

SECTION 4. This Act takes effect September 1, 2013.

David Sandhurst
President of the Senate

Joe Straus
Speaker of the House

I hereby certify that S.B. No. 841 passed the Senate on March 27, 2013, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 23, 2013, by the following vote: Yeas 31, Nays 0.

Robert Narvaiz
Secretary of the Senate

I hereby certify that S.B. No. 841 passed the House, with amendment, on May 20, 2013, by the following vote: Yeas 147, Nays 0, two present not voting.

Robert Narvaiz
Chief Clerk of the House

Approved:

14 June '13

Rick Perry
Governor

Filed in the Office of the Secretary of State
10:00 a.m.
Jan 14, 2013

Secretary of State