

FINAL BILL REPORT

SSB 5616

C 251 L 03
Synopsis as Enacted

Brief Description: Concerning insurer foreign investments.

Sponsors: Senate Committee on Financial Services, Insurance & Housing (originally sponsored by Senators Benton, Prentice, Reardon, Zarelli, Winsley, Keiser and Finkbeiner).

Senate Committee on Financial Services, Insurance & Housing
House Committee on Financial Institutions & Insurance

Background: Insurers that are authorized to transact insurance in foreign countries may currently invest their funds in foreign countries, within limits. As part of the limited foreign investment structure, insurers have been allowed to invest no more than 5 percent of their assets in Canadian government and corporate obligations. Investment in the obligations of foreign governments and corporations have been limited to Canadian investments that meet specified standards of soundness and quality.

Summary: Insurers are allowed to invest no more than 10 percent of assets in the obligations of foreign governments or foreign corporations. Investment in any one foreign country cannot exceed 5 percent of the insurer's assets. Investments are limited to foreign jurisdictions with a sovereign debt rating of SV01.

Votes on Final Passage:

Senate	49 0
House	93 0

Effective: July 27, 2003