

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 1015

By: Quinn

4
5
6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2011,
8 Section 1616, which relates to limitations on
9 investments in corporate securities; classifying
10 certain type of investment; defining single purpose
11 entity; and providing an effective date.

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 36 O.S. 2011, Section 1616, is
14 amended to read as follows:

15 Section 1616. A. Except with the consent of the Insurance
16 Commissioner, no domestic life insurer shall, in addition to other
17 investments permitted by this article, invest an amount equal in the
18 aggregate to more than ten percent (10%) of its assets, or in the
19 case of a domestic nonlife insurer, an amount equal in the aggregate
20 to more than twenty percent (20%) of its assets in the shares of
21 solvent corporations created or existing under the laws of the
22 United States or of any state. Investing in the shares of mutual
23 funds that invest only in bonds or preferred stocks shall be
24 considered as investing in bonds or preferred stocks, and investing

1 in mutual funds that invest in common stocks shall be considered as
2 investing in common stocks. However, investments in the shares of
3 subsidiaries or companion insurance companies shall be governed by
4 Section 1652 of this title and this subsection shall not apply to
5 investments by domestic insurers in the shares of insurance
6 subsidiaries.

7 B. For the purpose of determining the investment limitation
8 imposed by this article, the insurer shall value securities
9 purchased pursuant to the provisions of this article at the cost of
10 the security or at the market value of the security, whichever is
11 lower.

12 C. Investments in securities of a single purpose entity shall
13 be treated the same as an investment in the underlying assets held
14 by the single purpose entity. For the purposes of this subsection,
15 "single purpose entity" means an entity formed for purposes of
16 holding a single asset or class of assets.

17 SECTION 2. This act shall become effective November 1, 2019.

18
19 57-1-431 CB 4/1/2019 8:16:29 AM
20
21
22
23
24