

1 HB225
2 148087-2
3 By Representatives Sessions, Davis, Gaston, Faust, McMillan,
4 Fincher, Barton, Shiver, Buskey, Ison, Brown, Beech, Scott,
5 Baker, Johnson (K), Hill, Patterson, Laird, Burdine, Millican,
6 Bracy, Johnson (W), Wren, Warren and Love
7 RFD: Insurance
8 First Read: 07-FEB-13

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ENROLLED, An Act,

Relating to insurance; to amend Section 27-41-39, Code of Alabama 1975, to exempt cash equivalents from the quality and diversity requirements of the investments of foreign and alien insurers authorized to transact insurance in this state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 27-41-39, Code of Alabama 1975, is amended to read as follows:

"§27-41-39.

"(a) The investments of a foreign or alien insurer shall be as permitted by the laws of its domicile, but shall be of a quality and diversity substantially equivalent to that required of like domestic insurers under this chapter.

"(b) (1) Cash equivalents are exempt from the limitations of this section.

"(2) "Cash equivalents" means investments with a maturity of 90 days or less which are highly rated by a nationally recognized statistical rating organization recognized by the Commissioner of Insurance and which are highly liquid, readily convertible to known amounts of cash without penalty, and so near maturity that they present insignificant risk of change in value."

1 Section 2. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.

