

§1155. Diversification

Investments of an insurer shall be subject to the following diversification requirements and limitations. [PL 1987, c. 399, §14 (NEW).]

1. Real estate; personal property; equity interests; subsidiaries. Not more than 40% of the insurer's assets in aggregate amount may consist of investments described in the following paragraphs:

- A. Real estate, section 1156, subsection 2, paragraph D, subparagraph (1); [PL 1987, c. 399, §14 (NEW).]
- B. Personal property, section 1156, subsection 2, paragraph E; [PL 1987, c. 399, §14 (NEW).]
- C. Equity interests, section 1156, subsection 2, paragraph F; and [PL 1987, c. 399, §14 (NEW).]
- D. Subsidiaries, section 1157, except as provided in that section. [PL 1987, c. 399, §14 (NEW).]

If, on or after the effective date of this subsection, the insurer makes investments of those types in institutions or property located within the State aggregating 1% or more of its assets, the 40% limitation in this subsection must be increased by an equal amount up to 45%, exclusive of those investments in institutions or property located within the State, thus providing for a maximum limit on the investments described in those paragraphs of 50% of the insurer's assets.

[PL 2023, c. 59, §3 (AMD).]

2. Counter-party limitations. Except as otherwise expressly provided, an insurer may not invest in or may not incur counter-party exposure to any one person if, after giving effect to those investments and that counter-party exposure, the aggregate of those investments in and that counter-party exposure to that person would exceed 10% of the insurer's admitted assets, with the following exceptions:

- A. Government obligations pursuant to section 1156, subsection 2, paragraph A; [PL 2001, c. 524, §3 (AMD).]
- B. Policy loans pursuant to section 1158; and [PL 2001, c. 524, §3 (AMD).]
- C. Index mutual funds, but as to this exception, only with the prior approval of the superintendent and limited to 20% of the insurer's admitted assets. [PL 2001, c. 524, §3 (NEW).]

[PL 2023, c. 59, §3 (AMD).]

3. Other investment limitations. Other investment limitations are as provided in particular sections of this chapter.

[PL 2023, c. 59, §3 (AMD).]

SECTION HISTORY

PL 1987, c. 399, §14 (NEW). PL 1999, c. 715, §11 (AMD). PL 2001, c. 524, §3 (AMD). PL 2023, c. 59, §3 (AMD).

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