

**SENATE, No. 3409**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED DECEMBER 19, 2022

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**SYNOPSIS**

Permits certain insurance companies to make certain foreign investments.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/19/2022)**

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2

1 AN ACT concerning foreign investments by certain insurance  
2 companies and amending R.S.17:24-10,  
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:  
6

7 1. R.S.17:24-10 is amended to read as follows:

8 17:24-10. a. Any insurance company of this State lawfully  
9 doing business in any foreign country may also invest its funds, to  
10 an amount not exceeding the value of its outstanding policies of  
11 insurance issued or delivered in the foreign country, in securities  
12 issued by any governing body or agency or any corporation of the  
13 foreign country or in obligations secured upon property therein,  
14 otherwise of the same character as that prescribed for authorized  
15 investments for the funds of the company under the laws of this  
16 State; provided, that any loan secured by first mortgage on  
17 unencumbered real estate in the Dominion of Canada, authorized  
18 and placed under any act of that Dominion by virtue of which it  
19 assumes liability for all or a substantial portion of any loss resulting  
20 from the liquidation of such investment after the foreclosure of the  
21 mortgage securing the same, or by virtue of which it guarantees the  
22 payment of such loan, shall be construed as being of such character.  
23 Any investment hereby authorized shall be subject to all other  
24 limitations imposed by the laws of this State.

25 b. Any insurance company of this State may invest in foreign  
26 obligations and investments:

27 (1) up to 10 percent of admitted assets in any foreign country or  
28 jurisdiction rated in one of the two highest rating categories by an  
29 independent, nationally recognized United States rating agency; and

30 (2) up to two percent of admitted assets in any other foreign  
31 country and up to 15 percent of admitted assets in the aggregate in  
32 all such other foreign countries. The aggregate foreign obligations  
33 and investments shall not exceed 30 percent of admitted assets. All  
34 such foreign obligations and investments made within the  
35 limitations of this subsection shall also be subject to the percentage  
36 limitations in R.S.17:24-1 set seq., as applicable to the investment  
37 class, but this subsection shall not apply to investments that  
38 otherwise constitute an ownership interest in a subsidiary or  
39 affiliate of the insurance company.

40 (cf: P.L.1945, c.23, p.80, s.1)  
41

42 2. This act shall take effect immediately.  
43

44 STATEMENT  
45

46 This bill amends current law concerning the foreign investments

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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1 that an insurance company is permitted to make. Under the bill, an  
2 insurance company may invest in foreign obligations and  
3 investments:

4 (1) up to 10 percent of admitted assets in any foreign country or  
5 jurisdiction rated in one of the two highest rating categories by an  
6 independent, nationally recognized United States rating agency; and

7 (2) up to two percent of admitted assets in any other foreign  
8 country and up to 15 percent of admitted assets in the aggregate in  
9 all such other foreign countries. The aggregate foreign obligations  
10 and investments are not to exceed 30 percent of admitted assets.

11 The bill updates the provision governing property/casualty  
12 insurance company foreign investments in accordance with the  
13 Investments of Insurers Model Act adopted by the National  
14 Association of Insurance Commissioners (NAIC). The Investments  
15 of Insurers Model Act (Defined Standards Version) sets out general  
16 standards for investments (authorization and prudence) and  
17 provides for broad classes of permitted investments subject to  
18 aggregate and individual limitations for some categories.