

**House Study Bill 544 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON COWNIE)

**A BILL FOR**

1 An Act relating to the maximum value of life insurance  
2 companies' and life insurance associations' investments  
3 in CM3 classified mezzanine loans as a percentage of such  
4 company's or association's legal reserve.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 511.8, subsection 9, paragraph h,  
2 subparagraph (3), subparagraph division (a), Code 2018, is  
3 amended to read as follows:

4 (a) The value of a company's or association's total  
5 investments qualified under this paragraph "h" in mezzanine  
6 real estate loans classified as CM3 in accordance with the  
7 national association of insurance commissioners' rating  
8 methodology or an equivalent or successor rating at the time  
9 of purchase shall not exceed ~~two~~ three percent of the legal  
10 reserve.

11

EXPLANATION

12 The inclusion of this explanation does not constitute agreement with  
13 the explanation's substance by the members of the general assembly.

14 This bill relates to the maximum value of a life insurance  
15 company's and life insurance association's investments in CM3  
16 classified mezzanine loans as a percentage of such company's or  
17 association's legal reserve. The current maximum value of such  
18 investments is 2 percent of a company's or association's legal  
19 reserve. The bill increases the maximum value to 3 percent of  
20 such company's or association's legal reserve.