

Iranian Data Call ... What Next?

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On July 9, 2009, the [California Department of Insurance](#) (CDI) issued a [Data Call](#) to all insurers admitted in California seeking information on their investments in or related to Iran. The information was due on September 30, 2009.

The purpose for the Data Call is to determine if insurer investments are “sound” and comply with applicable law. The Data Call is controversial as it is broadly drafted to include not only direct investments by insurers in the government of Iran, including organizations owned or controlled directly or indirectly by the Iranian government, but also indirect investments. Indirect investments would include, for example, an investment in a company that, in turn, does business with any of the five sectors set forth in the Data Call, including defense, nuclear, petroleum, natural gas or banking.

As recently explained by Adam Cole, General Counsel for the CDI, the Data Call was specifically introduced by Commissioner Poizner as a measure to enforce U.S. governmental sanctions against Iran, including restrictions with respect to doing business with companies that do business in Iran.

The Commissioner’s staff will evaluate the information over the next several weeks and will likely issue a statement of the Commissioner’s intentions. The CDI may provide the information in the Data Call directly to the Treasury Department, take further action to disallow statement credit for any direct or indirect Iranian investments as being unsound investments, or request insurers to divest themselves of such investments.

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