

Legislation to Non-Admit Iran-Related Investments

March 2, 2012 by [Michael L. Rosenfield](#) and [Suh Choi](#)

The California Legislature has introduced [Assembly Bill 2160](#). It would prohibit California domestic insurers from treating indirect Iran-related investments (as defined in the bill) as admitted assets. The bill was just introduced on February 23rd and may be heard in committee on March 25th.

Issues relating to Iran-related investments date back to efforts in 2009 by then [Commissioner Steve Poizner](#) to police insurance companies who had investments in firms doing business in Iran. His efforts were challenged by a number of insurance trade associations and were eventually ruled an “[underground regulation](#)” by the [California Office of Administrative Law](#). Poizner [filed a lawsuit](#) challenging the OAL determination.

Current Commissioner Dave Jones and a group of insurers [recently settled the litigation](#). Under the terms of the settlement, Jones retains the power to independently review and publicize the names of insurers with Iran investments. The Commissioner also retains the power to make public a list of businesses directly engaged in the Iranian nuclear, military or energy sectors. Under the settlement, however, insurers will no longer be required to file quarterly reports regarding their Iran-related investments. While the settlement prevents the Commissioner from declaring the Iran-related investments to be non-admitted assets, the proposed Legislation would.

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