

## CHAPTER 60L

### INVESTMENTS OF INSURERS

60L.01 Definitions.  
60L.08 Limitations generally applicable.

60L.10 Prohibited investments.

#### 60L.01 DEFINITIONS.

*[For text of subs 1 to 13, see M.S.2000]*

Subd. 13a. **Replicated investment position.** “Replicated investment position” means the statement value of the position reported under the heading “Replicated (Synthetic) Asset” on Schedule DB, Part F, of the annual statement of the insurer, or any successor provision.

Subd. 14. **Replication transaction.** “Replication transaction” means a derivative transaction that is intended to replicate the performance of one or more assets that an insurer is authorized to acquire under sections 60L.01 to 60L.15. A derivative transaction that is entered into as a hedging transaction is not considered a replication transaction.

*[For text of subd 15, see M.S.2000]*

**History:** 2001 c 131 s 7,8

#### 60L.08 LIMITATIONS GENERALLY APPLICABLE.

*[For text of subs 1 to 6, see M.S.2000]*

Subd. 7. **Replication transactions.** (a) An insurer engaging in replication transactions shall include all replicated investment positions in calculating compliance with the limitations on investments contained in this section. So long as the insurer so complies with the limitations on investments contained in this section, then the insurer may count a replication transaction and any related investment of the insurer for the purposes specified in section 60L.11, to the extent the insurer has appropriately assigned the transaction or other investment to an investment class authorized in section 60L.07. An insurer shall not otherwise count replicated investment positions for the purposes specified in section 60L.11.

(b) If an investment position of the insurer includes a replicated investment position and exceeds an applicable limitation contained in this section, then the insurer may allocate part or all of the replicated investment position as follows for the purposes of calculating compliance with the limitations on investments and other requirements contained in sections 60L.01 to 60L.15: to the extent an insurer owns assets in excess of its minimum asset requirement, the insurer may deem a replicated investment position to be among such excess assets, but only to the extent that the replicated investment position does not cause the total positions represented by such excess assets to be greater than the total positions represented by such excess assets as would be permitted in the absence of the replicated investment position.

**History:** 2001 c 131 s 9

#### 60L.10 PROHIBITED INVESTMENTS.

Subdivision 1. **Prohibitions.** An insurer may not invest in investments that are prohibited for an insurer by law. The use of a derivative instrument for any purposes other than hedging, income generation, or replication is prohibited.

*[For text of subd 2, see M.S.2000]*

**History:** 2001 c 131 s 10