

**60A.112 INVESTMENT POLICY REQUIRED.**

Each domestic company must have a written investment policy, designed to provide guidance for investment decisions by management. The policy must be approved by its board of directors. The policy must be reviewed by the company's board of directors and reapproved no less often than once every 12 months. The investment policy must address asset type diversification, diversification within asset types, concentration risks, interest rate risk, liquidity, foreign investments, loans secured by real estate, and investment real estate. The policy must set forth, in detail, company practices relating to internal controls regarding the delegation of investment authority within the company.

The board of directors must also determine at least annually the extent to which the company has complied with its investment policy within the preceding 12 months and shall adopt a written determination.

The company must file, as an attachment to its annual statement, a certification that:

- (1) the company has a written investment policy meeting the requirements of this section;
- (2) the company's board of directors has reviewed and approved or reapproved the policy within the period covered by the annual statement; and
- (3) the company's board of directors performed the compliance review and made the written determination required by this section for the period covered by the annual statement.

A company's failure to meet the requirements of this section does not affect its ability to enforce its legal or equitable rights with respect to its investments.

**History:** 1991 c 325 art 18 s 1; 1992 c 540 art 2 s 7