

Life Investment Limitations - New Laws Effective August 28, 2007*

Statute	Investment	Limit Type	Modifier	Percentage	TAA or C&S
375.330.1(1)	Real Estate Occupied by Insurer	No longer applies	See 376.302.3		
375.330.3	Real Estate Investments	No longer applies	See 376.302		
375.345.2(3)(a)	Hedging trans - options, caps, floors & warrants	Agg stnt value	not exceed	7.5%	TAA
375.345.2(3)(b)	Hedging trans - options, caps and floors	Agg stnt value	not exceed	3%	TAA
375.345.2(3)(c)	Hedging trans - collar, swaps, forwards & futures	Agg potential exposure	not exceed	6.5%	TAA
375.345.2(4)	Income Gen Activity - Agg stnt value of fixed income assets subject to call or that generate cash flows for pmt under caps or floors + face value of fixed income securities underlying derivatives subject to call + amount of purchase obligations under puts	Agg stnt value	not exceed	10%	TAA
375.345.2(5)	Replications - may only be used under 20 CSR 200-1.170				
375.532	Bonds, notes or other indebtedness or preferred stocks	No longer applies			
375.534	Foreign Investments	No longer applies	See 376.304		
375.1075	Low quality bonds	No longer applies	See 376.297.2		
376.294.1(4)	General Partner of a Partnership	Shall not invest	unless all ptrns affil		
376.297.1	Investments acquired directly or indirectly thru subs except agg amts insured by financial guaranty insurer rated Class 1 by NRSRO or, if an ABS, then 3% limit applies to each asset or pool of assets held by trust or entity.	Individual	Shall not exceed for all kinds	3%	TAA
376.297.2(1)	Low & Medium Quality Securities	Aggregate	SVO rated 6	1%	TAA
		Aggregate	SVO rated 5 or 6	3%	TAA
		Aggregate	SVO rated 4, 5 or 6	10%	TAA
		Aggregate	SVO rated 3, 4, 5 or 6	20%	TAA
		Aggregate	SVO rated 4, 5 or 6	1%	TAA
376.297.2(2)	Low & Medium Quality Securities	Individual	SVO rated 3, 4, 5 or 6	1%	TAA
376.297.3	Canadian Investments (limit may increase if lic in CN)	Aggregate	not exceed	40%	TAA
	Not Canadian Gmnt or Canadian GSE (limit may inc if lic in CN)	Aggregate	not exceed	25%	TAA
	If license in CN	Aggregate	not exceed	115%	CN reserves
376.298.1	Rated Credit Instruments of US or US GSE (1)	Aggregate	unlimited		
376.298.2	Rated credit instruments of Canada or CN GSE (1)	Aggregate	not exceed	40%	TAA
376.298.3	Government MMF or Class 1 MMF, rated credit instrument issued by GSE, or a state, or a multilateral development bank (1)	Individual	not exceed	10%	TAA
376.298.4	Non-foreign Preferred Stocks (1)	Aggregate	not exceed	20%	TAA
	Non-foreign Preferred Stocks, non-sinking fund or P1 or P2 rated (1)	Aggregate	not exceed	10%	TAA
376.298.5	Non-foreign rated credit instruments (1)	Aggregate	unlimited		
376.298.6	Special rated credit instruments	Aggregate	not exceed	5%	TAA
376.300.2	Equity interest in business entities excluding partnerships (2)	Aggregate	not exceed	20%	TAA
	Equity not traded on qualified exchange, except MF (2)	Aggregate	not exceed	5%	TAA
376.301.3	Tangible personal ppty or equity interest within domestic jurisdiction in lmted ptrnships or gen ptrnships not prohibited by §376.294.4, joint ventures, stocks of investment sub or mbrshp interest in LLC, trust, or like only if ppty subject to lease (2)	Aggregate	not exceed	2%	TAA
376.302.1(1)	Tangible personal ppty or equity interest within domestic jurisdiction in lmted ptrnships or gen ptrnships not prohibited by §376.294.4, joint ventures, stocks of investment sub or mbrshp interest in LLC, trust, or like if secured by first lien mortgage on real estate (2)	Individual - purchase money mortgage	not exceed	90%	FMV
		Individual - installment money mortgage	not exceed	80%	FMV
		Individual - all others	not exceed	75%	FMV
376.302.1(3)	Second mortgage on real estate provided insurer has sole second lien priority (2)	Individual	not exceed	70%	FMV > 1st lien
376.302.2 & 376.302.4(2)	Income producing real estate within domestic jurisdiction in lmted or gen ptrnships not prohibited by §376.294.4, joint ventures, stocks of investment sub or mbrshp interest in LLC, trust or like	One parcel or group of contiguous parcels	not exceed	1%	TAA
		Aggregate	not exceed	15%	TAA
376.302.3	Real estate intended for improvement or development	Aggregate	not exceed	5%	TAA
	Real estate occupied by company	Aggregate	not exceed	10%	TAA
376.302.4(1)	Mortgages under §376.302.1. Construction Loans Construction Loans	One secured location	not exceed	1%	TAA
		One secured location	not exceed	0.25%	TAA
		Aggregate	not exceed	2%	TAA
376.302.4(3)	Mortgages under subsection 1 + real estate sub 2 + guarantees However, limit may be exceeded under certain circumstances	Aggregate	not exceed See §376.302.4(3)	45%	TAA
376.303	Securities lending, repurchase, reverse repurchase, and dollar roll transactions	Any one counterparty	not exceed	5%	TAA
		Aggregate	not exceed	40%	TAA
376.304.1	Foreign Investments (2) Sovereign debt rating by SVO of "1" Sovereign debt rating other than "1"	Aggregate	not exceed	20%	TAA
		Single jurisdiction	not exceed	10%	TAA
		Single jurisdiction	not exceed	3%	TAA
376.304.2	Foreign Currency (2) Sovereign debt rating by SVO of "1" Sovereign debt rating other than "1"	Aggregate	not exceed	10%	TAA
		Single jurisdiction	not exceed	10%	TAA
		Single jurisdiction	not exceed	3%	TAA
376.304.4	Additional foreign investments allowed if lic in foreign jurisdiction and insurance, annuity or reinsurance contract on foreign lives (2).	Aggregate	not exceed	Amt >	Reqd by law
		Aggregate	or not exceed	115%	Foreign Reserves
376.304.5	Additional foreign investments allowed if not lic in foreign jurisdiction and insur, annuity or reinsurance contract on foreign lives (2).	Aggregate	not exceed	105%	Foreign Reserves
376.307.1	Basket clause for 376.297 - 376.304 investments or engage in section 376.303 practices unless these limits exceeded.	Aggregate	not exceed	3%	TAA
		Any 1 limit of 376.297-376.304	not exceed	1%	TAA
376.307.2	In addition to those described in 376.307.1, insurer may engage in section 376.303 practices not specifically prohibited	Aggregate	not exceed either	10%	TAA
			or	75%	C&S
		Individually	not exceed	3%	TAA
376.307.3	Basket clause - any investment not specifically prohibited if director grants approval & insurer demonstrates prudent investment manner		not exceed either	25%	C&S
		Aggregate	or 100% C&S less	10%	TAA

Section 376.293.1(7):
TAA = Admitted Assets as reported on the most recently filed annual report or quarterly statement adjusted for:
a) the return of acceptable collateral received in a reverse repurchase agreement or securities lending transaction;
b) cash received in a dollar roll transaction;
c) the amount of borrowed money to the extent not eliminated by b.

ABS = Asset Backed Security
GSE = Government Sponsored Entity
MMF - Money Market Fund
MF - Mutual Fund

Footnote (1): Subject to 376.297.2 & 376.298.6
Footnote (2): Subject to 376.297

*This worksheet is simply a brief summary of the limitations set forth in the statutes. To ensure compliance, the entire statute ought to be reviewed.
*This worksheet shall not be considered authoritative guidance.