

533C.602 Types of permissible investments.

1. Except to the extent otherwise limited by the superintendent pursuant to section 533C.601, the following investments are permissible under section 533C.601:

a. Cash, a certificate of deposit, or senior debt obligation of an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. § 1813.

b. Banker's acceptance or bill of exchange that is eligible for purchase upon endorsement by a member bank of the federal reserve system and is eligible for purchase by a federal reserve bank.

c. An investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates securities.

d. An investment security that is an obligation of the United States or a department, agency, or instrumentality thereof; an investment in an obligation that is guaranteed fully as to principal and interest by the United States; or an investment in an obligation of a state or a governmental subdivision, agency, or instrumentality thereof.

e. Receivables that are payable to a licensee from its authorized delegates, in the ordinary course of business, pursuant to contracts which are not past due or doubtful of collection if the aggregate amount of receivables under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not hold at one time receivables under this paragraph in any one person aggregating more than ten percent of the licensee's total permissible investments.

f. A share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the federal Investment Companies Act of 1940, 15 U.S.C. § 80a-1 – 80a-64, and whose portfolio is restricted by the management investment company's investment policy to investments specified in paragraphs "a" through "d".

2. The following investments are permissible under section 533C.601, but only to the extent specified:

a. An interest-bearing bill, note, bond, or debenture of a person whose equity shares are traded on a national securities exchange or on a national over-the-counter market, if the aggregate of investments under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not at one time hold investments under this paragraph in any one person aggregating more than ten percent of the licensee's total permissible investments.

b. A share of a person traded on a national securities exchange or a national over-the-counter market or a share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the federal Investment Companies Act of 1940, 15 U.S.C. § 80a-1 – 80a-64, and whose portfolio is restricted by the management investment company's investment policy to shares of a person traded on a national securities exchange or a national over-the-counter market, if the aggregate of investments under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not at one time hold investments in any one person aggregating more than ten percent of the licensee's total permissible investments.

c. A demand-borrowing agreement made with a corporation or a subsidiary of a corporation whose securities are traded on a national securities exchange if the aggregate of the amount of principal and interest outstanding under demand-borrowing agreements under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not at one time hold principal and interest outstanding under demand-borrowing agreements under this paragraph with any one person aggregating more than ten percent of the licensee's total permissible investments.

d. Any other investment the superintendent designates, to the extent specified by the superintendent.

3. The aggregate of investments under subsection 2 may not exceed fifty percent of the total permissible investments of a licensee calculated in accordance with section 533C.601.

2003 Acts, ch 96, §24, 42

Referred to in §533C.205