

**191—49.5(511) Trading requirements.** Each derivative instrument qualifying for legal reserve purposes under Iowa Code section 511.8(22) shall be:

1. Traded on a qualified exchange;
2. Entered into with, or guaranteed by, a business entity with an investment grade rating by the NAIC Securities and Valuation Office or by a majority of nationally recognized statistical rating organizations (NRSRO), on the NAIC/NRSRO list, that rate the business entity;
3. Issued or written by, or entered into with, the issuer of the underlying interest on which the derivative instrument is based; or
4. Entered into with a qualified foreign exchange.