

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 119

Introduced By: Banking, Commerce and Insurance Committee; Pahls, 31, Chairperson; Carlson, 38; Christensen, 44; Gay, 14; Hansen, 42; Langemeier, 23; Pankonin, 2; Pirsch, 4

Read first time: January 8, 2007

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to the Insurers Investment Act; to amend
2 sections 44-5110, 44-5111, 44-5120, 44-5137, 44-5140,
3 44-5141, and 44-5152, Reissue Revised Statutes of Nebraska,
4 and sections 44-5103 and 44-5153, Revised Statutes
5 Cumulative Supplement, 2006; to change provisions relating
6 to participation, investment limitations, securities, stock,
7 and additional authorized investments; to redefine a term;
8 and to repeal the original sections.

9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-5103, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 44-5103. For purposes of the Insurers Investment Act:

4 (1) Admitted assets means the investments authorized under
5 the act and stated at values at which they are permitted to be
6 reported in the insurer's financial statement filed under section
7 44-322, except that admitted assets does not include assets of
8 separate accounts, the investments of which are not subject to the
9 act;

10 (2) Agent means a national bank, state bank, trust company,
11 or broker-dealer that maintains an account in its name in a clearing
12 corporation or that is a member of the Federal Reserve System and
13 through which a custodian participates in a clearing corporation
14 including the Treasury/Reserve Automated Debt Entry Securities System
15 and Treasury Direct system, except that with respect to securities
16 issued by institutions organized or existing under the laws of a
17 foreign country or securities used to meet deposit requirements
18 pursuant to the laws of a foreign country as a condition of doing
19 business therein, agent may include a corporation that is organized or
20 existing under the laws of a foreign country and that is legally
21 qualified under those laws to accept custody of securities;

22 (3) Business entity means a sole proprietorship,
23 corporation, limited liability company, association, partnership,
24 limited liability partnership, joint-stock company, joint venture,
25 mutual fund, trust, joint tenancy, or other similar form of business
26 organization, whether organized for profit or not for profit;

27 (4) Clearing corporation means a clearing corporation as

1 defined in subdivision (a)(5) of section 8-102, Uniform Commercial
2 Code, that is organized for the purpose of effecting transactions in
3 securities by computerized book-entry, except that with respect to
4 securities issued by institutions organized or existing under the laws
5 of a foreign country or securities used to meet the deposit
6 requirements pursuant to the laws of a foreign country as a condition
7 of doing business therein, clearing corporation may include a
8 corporation that is organized or existing under the laws of a foreign
9 country and which is legally qualified under those laws to effect
10 transactions in securities by computerized book-entry. Clearing
11 corporation also includes Treasury/Reserve Automated Debt Entry
12 Securities System and Treasury Direct system;

13 (5) Custodian means:

14 (a) A national bank, state bank, or trust company that shall
15 at all times during which it acts as a custodian pursuant to the
16 Insurers Investment Act be no less than adequately capitalized as
17 determined by the standards adopted by United States banking
18 regulators and that is regulated by either state banking laws or is a
19 member of the Federal Reserve System and that is legally qualified to
20 accept custody of securities in accordance with the standards set
21 forth below, except that with respect to securities issued by
22 institutions organized or existing under the laws of a foreign
23 country, or securities used to meet the deposit requirements pursuant
24 to the laws of a foreign country as a condition of doing business
25 therein, custodian may include a bank or trust company incorporated or
26 organized under the laws of a country other than the United States
27 that is regulated as such by that country's government or an agency

1 thereof that shall at all times during which it acts as a custodian
2 pursuant to the Insurers Investment Act be no less than adequately
3 capitalized as determined by the standards adopted by international
4 banking authorities and that is legally qualified to accept custody of
5 securities; or

6 (b) A broker-dealer that shall be registered with and
7 subject to jurisdiction of the Securities and Exchange Commission,
8 maintains membership in the Securities Investor Protection
9 Corporation, and has a tangible net worth equal to or greater than two
10 hundred fifty million dollars;

11 (6) Custodied securities means securities held by the
12 custodian or its agent or in a clearing corporation, including the
13 Treasury/Reserve Automated Debt Entry Securities System and Treasury
14 Direct system;

15 (7) Direct when used in connection with the term obligation
16 means that the designated obligor is primarily liable on the
17 instrument representing the obligation;

18 (8) Director means the Director of Insurance;

19 (9) Insurer is defined as provided in section 44-103, and
20 unless the context otherwise requires, insurer means domestic insurer;

21 (10) Mortgage means a consensual interest created by a real
22 estate mortgage, a trust deed on real estate, or a similar instrument;

23 (11) Obligation means a bond, debenture, note, or other
24 evidence of indebtedness or participations, certificates, or other
25 evidences of an interest in any of the foregoing;

26 (12) Policyholders surplus means the amount obtained by
27 subtracting from the admitted assets (a) actual liabilities and (b)

1 any and all reserves which by law must be maintained. In the case of a
2 stock insurer, the policyholders surplus also includes the paid-up and
3 issued capital stock;

4 (13) Securities Valuation Office means the Securities
5 Valuation Office of the National Association of Insurance
6 Commissioners or any successor office established by the National
7 Association of Insurance Commissioners;

8 (14) Security certificate has the same meaning as defined in
9 subdivision (a)(16) of section 8-102, Uniform Commercial Code;

10 (15) State means any state of the United States, the
11 District of Columbia, or any territory organized by Congress;

12 (16) Tangible net worth means shareholders equity, less
13 intangible assets, as reported in the broker-dealer's most recent
14 Annual or Transition Report pursuant to section 13 or 15(d) of the
15 Securities Exchange Act of 1934, S.E.C. Form 10-K, filed with the
16 Securities and Exchange Commission; and

17 (17) Treasury/Reserve Automated Debt Entry Securities System
18 and Treasury Direct system mean the book-entry securities systems
19 established pursuant to 5 U.S.C. 301, 12 U.S.C. 391, and 31 U.S.C.
20 3101 et seq. The operation of the systems are subject to 31 C.F.R.
21 part 357 et seq.

22 Sec. 2. Section 44-5110, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 44-5110. (1) An insurer may invest in an individual interest
25 of a pool of obligations or a fractional interest of a single
26 obligation if:

27 (a) The certificate of participation or interest or the

1 confirmation of participation or interest in the investment is issued
2 in the name of the insurer, a custodian bank, or the nominee of
3 either; and

4 (b) The certificate or confirmation, if held by a custodian
5 bank, is kept separate and apart from the investment of others so that
6 at all times the participation or interest may be identified as
7 belonging solely to the insurer making the investment.

8 (2) If an investment is not evidenced by a certificate,
9 adequate evidence of the insurer's investment shall be obtained from
10 the issuer or its transfer or recording agent and retained by the
11 insurer, custodian bank, or clearing corporation except as provided in
12 subdivision (2) of section 44-5109. For purposes of this subsection,
13 adequate evidence shall mean a written receipt or other verification
14 issued by the depository, issuer, or custodian bank which shows that
15 the investment is held for the insurer. Transfers of ownership or
16 investments held as described in subdivisions (1)(c) and (2) of
17 section 44-5109 and this section may be evidenced by a bookkeeping
18 entry on the books of the issuer of the investment, its transfer or
19 recording agent, or the clearing corporation without physical delivery
20 of certificates, if any, evidencing the insurer's investment.

21 (3) Any investment made pursuant to this section shall also
22 conform with the following:

23 (a) The investment in which the interest is purchased shall
24 be authorized under the Insurers Investment Act; and

25 (b) The insurer's pro rata interest in the investment shall
26 be in the same percentage as the par amount of its interest bears to
27 the outstanding par amount of the investment at the time of purchase.

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2 ~~(c) Any person, other than an insurer, that is the obligor~~
3 ~~of the investment instrument or the investor from whom the interest is~~
4 ~~purchased shall have outstanding senior debt or commercial paper~~
5 ~~having a minimum quality rating as described in subdivision (2) of~~
6 ~~section 44-5112 or subsection (2) of section 44-5138; and~~

7 ~~(d) Any insurer that is the obligor of the investment~~
8 ~~instrument or the investor from whom the interest is purchased shall~~
9 ~~be rated A or better by A.M. Best's rating service or the~~
10 ~~corresponding rating of a successor organization approved by the~~
11 ~~director.~~

12 (4) An investment may be authorized under this section
13 although its interest does not include the right to exercise the
14 investor's rights or enforce the investor's remedies according to the
15 provisions of the issue.

16 (5) Any investment made pursuant to this section shall be
17 purchased pursuant to a written participation agreement.

18 ~~(6) An insurer's investments authorized under this section~~
19 ~~shall not exceed ten percent of its admitted assets.~~

20 Sec. 3. Section 44-5111, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 44-5111. Any investment limitation in the Insurers
23 Investment Act based upon the amount of the insurer's admitted assets
24 or policyholders surplus shall relate to admitted assets or
25 policyholders surplus as shown by the most recent financial statement
26 filed by the insurer pursuant to section 44-322 unless the insurer's
27 admitted assets or policyholders surplus is revised as a result of an

1 examination conducted pursuant to the Insurers Examination Act, in
2 which case the results of the examination shall control. Except as
3 otherwise provided by law, an investment shall be measured by the
4 lesser of actual cost or admitted value at the time of acquisition.
5 If there is no actual cost at the time of acquisition, the investment
6 shall be measured at the lesser of fair value or admitted value.

7 For purposes of this section, actual cost ~~shall mean~~
8 means the total amount invested, expended, or which should be
9 reasonably anticipated to be invested or expended in the acquisition
10 or organization of any investment, insurer, or subsidiary, including
11 all organizational expenses or contributions to capital and surplus
12 whether or not represented by the purchase of capital stock or
13 issuance of other securities.

14 Sec. 4. Section 44-5120, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 44-5120. (1) An insurer may lend its securities if:

17 (a) The securities are created or existing under the laws of
18 the United States and, simultaneously with the delivery of the loaned
19 securities, the insurer receives collateral from the borrower
20 consisting of cash or securities backed by the full faith and credit
21 of the United States or an agency or instrumentality of the United
22 States, except that any securities provided as collateral shall not be
23 of lesser quality than the quality of the loaned securities. Any
24 investment made by an insurer with cash received as collateral for
25 loaned securities shall be made in the same kinds, classes, and
26 investment grades as those authorized under the Insurers Investment
27 Act and in a manner that recognizes the liquidity needs of the

1 transaction or is used by the insurer for its general corporate
2 purposes. The securities provided as collateral shall have a market
3 value when the loan is made of at least one hundred two percent of
4 the market value of the loaned securities;

5 (b) The securities are created or existing under the laws of
6 Canada or are securities described in section 44-5137 and,
7 simultaneously with the delivery of the loaned securities, the insurer
8 receives collateral from the borrower consisting of cash or securities
9 backed by the full faith and credit of the foreign country, except
10 that any securities provided as collateral shall not be of lesser
11 quality than the quality of the loaned securities. Any investment made
12 by an insurer with cash received as collateral for loaned securities
13 shall be made in the same kinds, classes, and investment grades as
14 those authorized under the Insurers Investment Act and in a manner
15 that recognizes the liquidity needs of the transaction or is used by
16 the insurer for its general corporate purposes. The securities
17 provided as collateral shall have a market value when the loan is
18 made of at least one hundred two percent of the market value of the
19 loaned securities;

20 (c) Prior to the loan, the borrower or any indemnifying
21 party furnishes the insurer with or the insurer otherwise obtains the
22 most recent financial statement of the borrower or any indemnifying
23 party;

24 (d) The insurer receives a reasonable fee related to the
25 market value of the loaned securities and to the term of the loan;

26 (e) The loan is made pursuant to a written loan agreement;
27 and

1 (f) The borrower is required to furnish by the close of each
2 business day during the term of the loan a report of the market value
3 of all collateral and the market value of all loaned securities as of
4 the close of trading on the previous business day. If at the close of
5 any business day the market value of the collateral for any loan
6 outstanding to a borrower is less than one hundred percent of the
7 market value of the loaned securities, the borrower shall deliver by
8 the close of the next business day an additional amount of cash or
9 securities. The market value of the additional securities, together
10 with the market value of all previously delivered collateral, shall
11 equal at least one hundred two percent of the market value of the
12 loaned securities for that loan.

13 ~~(2) If at the close of any business day the market value of~~
14 ~~the collateral for all loans outstanding to a borrower is less than~~
15 ~~one hundred two percent of the market value of the loaned securities,~~
16 ~~the borrower shall deliver by the close of the next business day an~~
17 ~~additional amount of cash or securities. The market value of the~~
18 ~~additional securities, together with the market value of all~~
19 ~~previously delivered collateral, shall equal at least one hundred two~~
20 ~~percent of the market value of the loaned securities for all loans to~~
21 ~~that borrower. This subsection does not apply if the insurer receives~~
22 ~~cash collateral for all loans outstanding to the borrower.~~

23 ~~(3)~~ (2) For purposes of this section, market value
24 ~~shall include~~ includes accrued interest.

25 (4) (3) An insurer shall effect securities lending only
26 through the services of a custodian bank or similar entity as approved
27 by the director.

1 ~~(5)~~ (4) An insurer's investments authorized under this
2 section shall not exceed ten percent of its admitted assets.

3 Sec. 5. Section 44-5137, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 44-5137. (1) An insurer may invest in securities or other
6 investments (a) issued in, (b) located in, (c) denominated in the
7 currency of, (d) whose ultimate payment amounts of principal or
8 interest are subject to fluctuations in the currency of, or (e) whose
9 obligors are domiciled in countries other than the United States or
10 Canada, which are substantially of the same kinds and classes as those
11 authorized for investment under the Insurers Investment Act.

12 (2) Subject to the limitations in subsection (3) of this
13 section:

14 (a) An insurer's investments authorized under subsection (1)
15 of this section in any one foreign jurisdiction whose sovereign debt
16 has a 1 designation from the Securities Valuation Office shall not
17 exceed ten percent of the insurer's admitted assets;

18 (b) An insurer's investments authorized under subsection (1)
19 of this section in any one foreign jurisdiction whose sovereign debt
20 has a 2 or 3 designation from the Securities Valuation Office shall
21 not exceed five percent of the insurer's admitted assets;

22 (c) An insurer's investments authorized under subsection (1)
23 of this section ~~shall not include investments~~ in any one foreign
24 jurisdiction whose sovereign debt has a 4, 5, or 6 designation from
25 the Securities Valuation Office shall not exceed three percent of the
26 insurer's admitted assets;

27 (d) An insurer's investments authorized under subsection (1)

1 of this section denominated in any one foreign currency shall not
2 exceed two percent of the insurer's admitted assets; ~~and~~

3 (e) An insurer's investments authorized under subsection (1)
4 of this section denominated in foreign currencies, in the aggregate,
5 shall not exceed five percent of the insurer's admitted assets; and
6 -

7 (f) An insurer's investments authorized under subsection
8 (1) of this section shall not be considered denominated in a foreign
9 currency if the acquiring insurer enters into one or more contracts
10 in transactions permitted under section 44-5149 to exchange all
11 payments made on the foreign currency denominated investments for
12 United States currency at a rate which effectively insulates the
13 investment cash flows against future changes in currency exchange
14 rates during the period the contract or contracts are in effect.

15 (3) An insurer's investments authorized under subsection (1)
16 of this section shall not exceed, in the aggregate, ~~fifteen~~ twenty
17 percent of its admitted assets.

18 (4) An insurer which is authorized to do business in a
19 foreign country or which has outstanding insurance, annuity, or
20 reinsurance contracts on lives or risks resident or located in a
21 foreign country may, in addition to the investments authorized by
22 subsection (1) of this section, invest in securities and investments
23 (a) issued in, (b) located in, (c) denominated in the currency of, (d)
24 whose ultimate payment amounts of principal and interest are subject
25 to fluctuations in the currency of, or (e) whose obligors are
26 domiciled in such foreign countries, which are substantially of the
27 same kinds and classes as those authorized for investment under the

1 act.

2 (5) An insurer's investments authorized under subsection (4)
3 of this section and cash in the currency of such country which is at
4 any time held by such insurer, in the aggregate, shall not exceed the
5 greater of (a) one and one-half times the amount of its reserves and
6 other obligations under such contracts or (b) the amount which such
7 insurer is required by law to invest in such country.

8 (6) Any investment in debt obligations authorized under this
9 section shall have a minimum quality rating as described in
10 subdivision (2) of section 44-5112.

11 (7) An insurer's investments made under this section shall
12 be aggregated with investments of the same kinds and classes made
13 under the Insurers Investment Act except section 44-5153 for purposes
14 of determining compliance with the limitations contained in other
15 sections.

16 Sec. 6. Section 44-5140, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 44-5140. (1) An insurer may invest in the preferred stock of
19 any corporation which:

20 (a) Has retained earnings of not less than one million
21 dollars;

22 (b) Has earned and paid regular dividends at the regular
23 prescribed rate each year upon its preferred stock, if any is or has
24 been outstanding, for not less than five years immediately preceding
25 the purchase of such preferred stock or during such part of such
26 five-year period as it has had preferred stock outstanding; and

27 (c) Has had no material defaults in principal payments of or

1 interest on any obligations of such corporation and its subsidiaries
2 having a priority equal to or higher than those purchased during the
3 period of five years immediately preceding the date of acquisition or,
4 if outstanding for less than five years, at any time since such
5 obligations were issued.

6 The earnings of and the regular dividends paid by all
7 predecessor, merged, consolidated, or purchased corporations may be
8 included through the use of consolidated or pro forma statements.

9 (2) Except as authorized under the Insurance Holding Company
10 System Act, an insurer shall not own more than five percent of the
11 total issued shares of stock of any corporation other than an insurer.

12 (3) A life insurer's investments authorized under this
13 section shall not exceed the greater of ~~ten~~ twenty-five percent of
14 its admitted assets or one hundred percent of its policyholders
15 surplus, nor shall a life insurer's investments authorized under this
16 section that are not rated P-1 or P-2 by the Securities Valuation
17 Office exceed ten percent of its admitted assets.

18 Sec. 7. Section 44-5141, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 44-5141. (1) An insurer may invest in the common stock or
21 rights to purchase or sell common stock of any corporation which has
22 retained earnings of not less than one million dollars, except that an
23 investment may be made in any corporation having a majority of its
24 operations in this state which has retained earnings of not less than
25 two hundred fifty thousand dollars. The earnings of all predecessor,
26 merged, consolidated, or purchased corporations shall be included
27 through the use of consolidated or pro forma statements.

1 (2)(a) An insurer may invest in equity interests or rights
 2 to purchase or sell equity interests in business entities, other than
 3 general partnerships, ~~created or existing under the laws of the~~
 4 ~~United States or Canada or any state or province thereof.~~

5 (b)(i) A life insurer's investments authorized under this
 6 subsection shall not exceed fifty percent of its policyholders
 7 surplus.

8 (ii) A life insurer shall not invest under this subsection
 9 in any investment which the life insurer may invest in under section
 10 44-5140 or 44-5144 or subsection (1) of this section.

11 (3) Except as authorized under the Insurance Holding Company
 12 System Act, an insurer shall not invest in more than ten percent of
 13 the total equity interests in any business entity other than an
 14 insurer.

15 (4) A life insurer's investments authorized under this
 16 section shall not exceed one hundred percent of its policyholders
 17 surplus.

18 Sec. 8. Section 44-5152, Reissue Revised Statutes of
 19 Nebraska, is amended to read:

20 44-5152. (1) ~~Subject~~ In addition to investments otherwise
 21 authorized under the Insurers Investment Act and subject to the
 22 limitations in subsections (2) ~~through (4)~~ and (3) of this
 23 section, an insurer may invest in obligations having 3, 4, 5, and 6
 24 designations from the Securities Valuation Office.

25 (2) Subject to the limitation in subsection ~~(4)~~ (3) of
 26 this section, an insurer shall not acquire, directly or indirectly
 27 through an investment subsidiary, investments in obligations:

1 ~~(a) An insurer's investments in obligations having a 4~~
2 ~~designation from the Securities Valuation Office shall not exceed four~~
3 ~~percent of the insurer's admitted assets; Having a 4 designation~~
4 ~~from the Securities Valuation Office if, as a result of and giving~~
5 ~~effect to the investment, the aggregate amount of such investments~~
6 ~~would exceed four percent of the insurer's admitted assets;~~

7 ~~(b) An insurer's investments in obligations having a 5~~
8 ~~designation from the Securities Valuation Office shall not exceed two~~
9 ~~percent of the insurer's admitted assets; and Having a 5~~
10 ~~designation from the Securities Valuation Office if, as a result of~~
11 ~~and giving effect to the investment, the aggregate amount of such~~
12 ~~investments would exceed two percent of the insurer's admitted~~
13 ~~assets; and~~

14 ~~(c) An insurer's investments in obligations having a 6~~
15 ~~designation from the Securities Valuation Office shall not exceed one~~
16 ~~percent of the insurer's admitted assets. Having a 6 designation~~
17 ~~from the Securities Valuation Office if, as a result of and giving~~
18 ~~effect to the investment, the aggregate amount of such investments~~
19 ~~would exceed one percent of the insurer's admitted assets.~~

20 ~~(3) Subject to the limitations in subsection (2) of this~~
21 ~~section:~~

22 ~~(a) An insurer's investments in obligations having any~~
23 ~~combination of 4, 5, and 6 designations from the Securities Valuation~~
24 ~~Office, except the combination described in subdivision (3)(b) of~~
25 ~~this section, in the aggregate, shall not exceed four percent of the~~
26 ~~insurer's admitted assets; and~~

27 ~~(b) An insurer's investments in obligations having 5 and 6~~

1 ~~designations from the Securities Valuation Office, in the aggregate,~~
 2 ~~shall not exceed two percent of the insurer's admitted assets.~~

3 ~~(4) An insurer's investments authorized under this section,~~
 4 ~~in the aggregate, shall not exceed fifteen percent of its admitted~~
 5 ~~assets.~~

6 (3) An insurer shall not acquire, directly or indirectly
 7 through an investment subsidiary, investments under this section if,
 8 as a result of and giving effect to the investment, the aggregate
 9 amount would exceed fifteen percent of the insurer's admitted
 10 assets.

11 Sec. 9. Section 44-5153, Revised Statutes Cumulative
 12 Supplement, 2006, is amended to read:

13 44-5153. (1)(a)(i) A life insurer may make investments not
 14 otherwise authorized under the Insurers Investment Act in an amount,
 15 in the aggregate, not exceeding the lesser of five percent of its
 16 admitted assets or one hundred percent of its policyholders surplus.

17 (ii) An insurer other than a life insurer may make
 18 investments not otherwise authorized under the act in an amount, in
 19 the aggregate, not exceeding the lesser of twenty-five percent of the
 20 amount by which its admitted assets exceed its total liabilities,
 21 excluding capital, or five percent of its admitted assets.

22 (b) Investments authorized under this subsection shall not
 23 include obligations having 3, 4, 5, and 6 designations from the
 24 Securities Valuation Office.

25 (2)(a) ~~Notwithstanding~~ In addition to the provisions of
 26 subdivision (1)(a)(i) of this section, a life insurer may make
 27 investments not otherwise authorized under the act in an amount not

1 exceeding that portion of its policyholders surplus which is in excess
2 of ten percent of its admitted assets.

3 (b) ~~Notwithstanding~~ In addition to the provisions of
4 subdivisions (1)(a)(ii) and (b) of this section, an insurer other than
5 a life insurer may make investments not otherwise authorized under the
6 act in an amount not exceeding that portion of its policyholders
7 surplus which is in excess of fifty percent of its annual net written
8 premiums as shown by the most recent annual financial statement filed
9 by the insurer pursuant to section 44-322.

10 (3) Investments authorized under subsection (1) or (2) of
11 this section shall not include insurance agents' balances or amounts
12 advanced to or owing by insurance agents.

13 (4) The limitations set forth in this section shall be
14 applied at the time the investment in question is made and at the end
15 of each calendar quarter. An insurer's investment, which at the time
16 of its acquisition was authorized only under the provisions of this
17 section but which has subsequently and while held by such insurer
18 become of such character as to be authorized elsewhere under the act,
19 shall not be included in determining the amount of such insurer's
20 investments, in the aggregate, authorized under this section, and
21 investments otherwise authorized under the act at the time of their
22 acquisition shall not be included in making such determination.

23 (5) Derivative instruments described in subsections (1),
24 (2), and (3) of section 44-5149 shall not be authorized investments
25 under this section.

26 Sec. 10. Original sections 44-5110, 44-5111, 44-5120,
27 44-5137, 44-5140, 44-5141, and 44-5152, Reissue Revised Statutes of

1 Nebraska, and sections 44-5103 and 44-5153, Revised Statutes
2 Cumulative Supplement, 2006, are repealed.