



ADMINISTRATIVE RULES OF MONTANA

6.6.3827 ASSUMING INSURER THAT MAINTAINS A TRUST FUND - ALLOWABLE NONGOVERNMENT OBLIGATIONS

- (1) For purposes of 33-2-1216(5), MCA, nongovernment obligations are allowable if they are:
 - (a) issued in the United States;
 - (b) dollar-denominated and issued in a non-United States market by a solvent United States institution (other than an insurance company); or
 - (c) assumed or guaranteed by a solvent United States institution (other than an insurance company).
- (2) The obligations shall not be in default as to principal or interest.
- (3) The obligations shall be:
 - (a) rated A or higher (or the equivalent) by a securities rating agency recognized by the Securities Valuation Office of the NAIC, or if not so rated, are similar in structure and other material respects to other obligations of the same institution that are so rated;
 - (b) insured by at least one authorized insurer (other than the investing insurer or a parent, subsidiary, or affiliate of the investing insurer) licensed to insure obligations in this state and, after considering the insurance, are rated AAA (or the equivalent) by a securities rating agency recognized by the Securities Valuation Office of the NAIC; or
 - (c) designated as class one or class two by the Securities Valuation Office of the NAIC.
- (4) Preferred or guaranteed shares issued or guaranteed by a solvent United States institution are permissible investments if all of the institution's obligations are eligible as investments under (3)(a) and (c), but shall not exceed two percent of the assets of the trust.
- (5) Obligations issued, assumed, or guaranteed by a solvent non-United States institution chartered in a country that is a member of the Organization for Economic Cooperation and Development or obligations of United States corporations issued in a non-United States currency shall be rated A or higher, or the equivalent, by a rating agency recognized by the Securities Valuation Office of the NAIC.

Authorizing statute(s): 33-1-313, 33-2-1517, MCA

Implementing statute(s): 33-2-1216, MCA

History: NEW, 2016 MAR p. 2186, Eff. 11/26/16.