

51-7-12.5 Deposit or investment of the Employers' Reinsurance Fund and Uninsured Employers' Fund -- Authorized deposits and investments -- Asset manager.

- (1) The principal of the Employers' Reinsurance Fund created in Section 34A-2-702, and the Uninsured Employers' Fund created in Section 34A-2-704 shall be deposited or invested only in the following:
 - (a) any deposit or investment authorized by Section 51-7-11;
 - (b) equity securities, including common and preferred stock issued by corporations listed on a major securities exchange, in accordance with the following criteria applied at the time of investment:
 - (i) the treasurer may not invest more than 5%, determined on a cost basis, of the total fund assets in the securities of any one issuer;
 - (ii) the treasurer may not invest more than 25%, determined on a cost basis, of total fund assets in a particular industry;
 - (iii) the treasurer may not invest more than 5%, determined on a cost basis, of the total fund assets in securities of corporations that have been in continuous operation for less than three years;
 - (iv) the fund may not hold in excess of 5% of the outstanding voting securities of any one corporation; and
 - (v) at least 75% of the corporations in which investments are made under Subsection (1)(b) must appear on the Standard and Poor's 500 Composite Stock Price Index;
 - (c) fixed-income securities, including bonds, notes, mortgage securities, zero coupon securities and convertible securities issued by domestic corporations rated "A" or higher or the equivalent of "A" or higher by two nationally recognized statistical rating organizations in accordance with the following criteria applied at the time of investment:
 - (i) the treasurer may not invest more than 5%, determined on a cost basis, of the total fund assets in the securities of any one issuer;
 - (ii) the treasurer may not invest more than 25%, determined on a cost basis, of the total fund assets in a particular industry;
 - (iii) the treasurer may not invest more than 5%, determined on a cost basis, of the total fund assets in securities of corporations that have been in continuous operation for less than three years; and
 - (iv) the dollar-weighted average maturity of fixed-income securities acquired under Subsection (1)(c) may not exceed 10 years;
 - (d) fixed-income securities issued by agencies of the United States and government-sponsored organizations, including mortgage-backed pass-through certificates and mortgage-backed bonds;
 - (e) shares of an open-end diversified management investment company established under the Investment Companies Act of 1940; or
 - (f) shares of or deposits in a pooled-investment program.
- (2)
 - (a) No more than 65% of the total fund assets of any of these funds, on a cost basis, may be invested in common or preferred stocks at any one time.
 - (b) At least 35% of the total assets of these funds shall be invested in fixed-income securities authorized by Section 51-7-11 and Subsections (1)(c) and (d).
- (3) The state treasurer shall use appropriate investment strategies to protect the principal of the funds administered under this section during periods of financial market volatility.
- (4)

- (a) The state treasurer may employ professional asset managers to assist in the investment of assets of the funds.
- (b) The treasurer may provide compensation to asset managers from earnings generated by the funds' investments.

Amended by Chapter 204, 2013 General Session