

Bulletin 05-001

March 4, 2005

**TYPES OF ASSETS ALLOWED TO BE DEPOSITED INTO A TRUST ACCOUNT
RELATED TO A REINSURANCE AGREEMENT ENTERED INTO IN CONJUNCTION
WITH TRUST AGREEMENT**

The purpose of this Bulletin is to clarify section 325 of chapter 681A of the Nevada Administrative Code (NAC).

Paragraph (h) of subsection 1 of NAC 681A.325 states that:

A reinsurance agreement entered into in conjunction with a trust agreement and the establishment of a trust account may stipulate that assets deposited in the trust account must be valued according to their current fair market value and must consist only of:

...

(h) Other types of investments specified by the reinsurance agreement.

For insurers to comply with NAC 681A.325(h), such “other types of investments specified by the reinsurance agreement” are allowable only to the extent that such investments are not in conflict with the restrictions on investments in the Trust Agreement, regulations or other laws of Nevada.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance