

## DOMESTIC/FOREIGN INSURERS

### Bulletin 6

#### ADMITTED ASSETS DEFINED FOR PURPOSES OF THE HOLDING COMPANY SYSTEM REGISTRATION ACT

March 1, 1998

#### GENERAL

Section 5005 of the Insurance Code imposes a requirement that domiciled insurers entering into transactions within a holding company system give the Department 30 days prior notice of the transaction and obtain the approval of the Department beforehand. Included amongst these are certain transactions that exceed "3 percent of the insurer's admitted assets" for life insurers.

In the case where a life insurer may have assets held in separate accounts, which are included in the total "admitted assets" figure on the insurer's annual statement (presently found on page 2, column 4, line 25 of the annual statement for life insurers), the question arises whether the reporting requirements of Section 5005 are triggered when an inter-affiliate transaction does not exceed three percent of the total admitted assets as reported in the annual statement but does exceed three percent of admitted assets in the insurer's general account. For the reasons that follow, the Department interprets the term "admitted assets" as used in Section 5005 to include only those admitted assets in the insurer's general account.