487.1032 Investments permitted under MCL 487.1031; limitation.

Sec. 32. (1) Except to the extent otherwise limited by the commissioner under section 31(2), each of the following investments is permissible under section 31:

(a) Cash, a certificate of deposit, or a senior debt obligation of a federally insured depository financial institution.

(b) A banker's acceptance or bill of exchange that is eligible for purchase upon endorsement by a member bank of the federal reserve system and is eligible for purchase by a federal reserve bank.

(c) An investment bearing a rating of 1 of the 3 highest grades as defined by a nationally recognized organization that rates securities.

(d) An investment security that is an obligation of the United States or a department, agency, or instrumentality of the United States; an investment in an obligation that is guaranteed fully as to principal and interest by the United States; or an investment in an obligation of a state or a governmental subdivision, agency, or instrumentality of a state.

(e) A receivable that is payable to a licensee from its authorized delegate, in the ordinary course of business, pursuant to contracts that are not past due or doubtful of collection, if the aggregate amount of receivables under this subdivision does not exceed 20% of the total permissible investments of a licensee and the licensee does not hold at 1 time receivables under this subdivision in any 1 person aggregating more than 10% of the licensee's total permissible investments.

(f) A share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and whose portfolio is restricted by the management company's investment policy to investments specified in subdivisions (a) to (d).

(2) Subject to subsection (3), the following investments are permissible under section 31, but only to the extent specified:

(a) An interest-bearing bill, note, bond, or debenture of a person whose equity shares are traded on a national securities exchange or on a national over-the-counter market, if the aggregate of investments under this subdivision does not exceed 20% of the total permissible investments of a licensee and the licensee does not at 1 time hold investments under this subdivision in any 1 person aggregating more than 10% of the licensee's total permissible investments.

(b) A share of a person traded on a national securities exchange or a national over-the-counter market or a share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and whose portfolio is restricted by the management company's investment policy to shares of a person traded on a national securities exchange or a national over-the-counter market, if the aggregate of investments under this subdivision does not exceed 20% of the total permissible investments of a licensee and the licensee does not at 1 time hold investments in any 1 person aggregating more than 10% of the licensee's total permissible investments.

(c) A demand-borrowing agreement made to a corporation or a subsidiary of a corporation whose securities are traded on a national securities exchange, if the aggregate of the amount of principal and interest outstanding under demand-borrowing agreements under this subdivision does not exceed 20% of the total permissible investments of a licensee and the licensee does not at 1 time hold principal and interest outstanding under demand-borrowing agreements under this subdivision with any 1 person aggregating more than 10% of the licensee's total permissible investments.

(d) Any other investment the commissioner designates by order or declaratory ruling, to the extent specified by the commissioner.

(3) The aggregate of investments under subsection (2) may not exceed 50% of the total permissible investments of a licensee calculated under section 31.