

40-2a18. Real estate investment trusts. Any insurance company other than life heretofore or hereafter organized under any law of this state may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in shares of beneficial interest in or obligations issued by a real estate investment trust qualified under sections 856 through 858 of the federal internal revenue code which meet the following qualifications:

(a) The obligations shown on the last published annual statement of such trust must meet the qualifications specified for corporate obligations in subsections (a) through (d) of K.S.A. 40-2a05.

(b) Cash dividends have been paid during each of the last three (3) years preceding the date of acquisition.

(c) The shares are registered on a national securities exchange regulated under the securities exchange act of 1934, as amended, or regularly traded on a national or regional basis.

(d) The trust shall have earnings in three (3) of the last five (5) years preceding date of acquisition.

(e) No insurance company shall own more than five percent (5%) of the total number of shares of any one such trust, nor invest more than two percent (2%) of its admitted assets in shares of any one such trust.

Shares in each such trust which has over one-half (1/2) of its assets invested in ownership of real estate or which has such ownership as its stated investment objective shall be considered a real estate investment for purposes of conforming with the limitation on real estate ownership imposed in K.S.A. 40-2a13.

History: L. 1972, ch. 173, § 18; July 1.