

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.