

June 24, 1968



Honorable Elmer J. Meyer  
State Representative - District 26  
Missouri House of Representatives  
Capitol Building  
Jefferson City, Missouri 65101

Dear Representative Meyer:

In your letter, you state the Trustees of the Firemen's Pension Fund of the City of Ferguson are having difficulty in determining how they can invest the funds of the pension system; and you inquire as to what types of investments are authorized for the funds of the Police and Firemen's Pension Funds established under the provisions of Section 86.583, RSMo.

With your request you submitted a memorandum prepared by the City Attorney of Ferguson in which he refers to certain specific statutes dealing with the investment of life insurance funds. Section 86.583, RSMo, authorizes cities of certain classifications to provide pensions for firemen and policemen in the manner therein provided. The City of Ferguson comes within the provisions of this statute.

Section 86.590, Mo. Supp., 1967, provides that the board of trustees of police and fire pension funds established under the provisions of Section 86.583 are authorized to invest and reinvest such funds subject to all the terms, conditions, limitations, and restrictions imposed by law upon life insurance companies of the State of Missouri in making and disposing of their investments.

You have asked what is meant by the term, "admitted assets," as such term is used in the statutes providing for investments by life insurance companies. The term, "admitted assets" as used in statutes relating to investments by life insurance companies means the assets of life insurance companies which the State Division of Insurance "admits" or accepts as assets in the statements of financial

condition of life insurance companies. "Admitted assets" include the cash possessed by a life insurance company and all of the investments of the company made in conformance with the statutory provisions for life insurance company investments but does not include furniture, equipment or automobiles of an insurance company.

If a life insurance company makes investments not authorized by the statutes providing for life insurance company investment, such investments are assets of the company but not assets that will be admitted or accepted by the Division of Insurance as "admitted assets" in the financial statement of the company.

It is our view that the State Department of Insurance has no jurisdiction or supervision over the Firemen's and Policemen's Pension Funds established under Section 86.583 and Section 86.590, that the only statutes pertaining to the State Insurance Department that must be considered by the Firemen's and Policemen's Pension Funds Trustees are those relating to the investments of the funds of life insurance companies, and that the trustees have authority to invest these funds as provided in statutes providing for life insurance company investments.

It is our view that Section 376.309, Mo. Supp., 1967, which deals with funds received by life insurance companies from retirement and pension programs established by them has no application to the investment of funds under Section 86.590.

Very truly yours,

NORMAN H. ANDERSON  
Attorney General