



Illinois Department of Insurance

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The Siren

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Legislative Update ADDENDUM *

To July 25, 2000

U p d a t e U p d a t e U p d a t e PA 91-0887 U p d a t e U p d a t e U p d a t e

Signed by Governor George H. Ryan, July 6, 2000

Law becomes effective Immediately

PENSION FUNDS MUTUAL FUND AUTHORITY EXPANDED

All Article 3 and 4

police and firefighter pension funds are granted the authority in 40ILCS5/1-113.2(13) to invest:

- (13) Any combination of the following not to exceed 10% of the pension fund's net assets:
 - (i) separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stocks, bonds, or money market instruments;
 - (ii) separate accounts that are managed by insurance companies authorized to transact business in Illinois, and are comprised of real estate or loans upon real estate secured by first or second mortgages;
 - (iii) **mutual funds that meet the following requirements:**
 - (A) **the mutual fund is managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953;**
 - (B) **the mutual fund has been in operation for at least 5 years;**
 - (C) **the mutual fund has total net assets of \$250 million or more; and**
 - (D) **the mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.**

*** The above changes in the law allows for the following options:**

Article 3 & 4 Funds

Under 2.5 million

10% separate/mutual

10% Total

2.5 - 5.0 million

10% separate/mutual
35% separate/mutual

45% Total

5.0 - above

10% separate/mutual
35% separate/mutual/individual equities

through managers

45% Total

Pension Division Advisory Services