

value figure in that situation. That concept of freezing as actual cost at acquisition cost is existing law, but it is one of the reasons why we are now moving to creating limitations in the real estate area, in other areas so that by turning things into, by using this actual cost figure and by creating a limitation on the amount that can be held as a percentage of your assets, you can effectually control the investment practices of the company to make sure that it diversifies among a number of different kinds of investments. I think that is the strategy that is applied. The question might be, well, couldn't you have an acquisition cost that was not reflective of true value, couldn't the value be inflated? For the purposes of a rather conservative estimate of the assets of the company, the growth of that value is not taken into account with respect to the investment code. It is its acquisition value. It is on the books for the purposes of complying with these basically diversification oriented standards, these limitations.

SENATOR BEUTLER: Okay. You spoke a little earlier of the limitation of investments with regard to one person or one corporation, a limitation, I know in Section 15 one of the limitations appears and it says that the...

SPEAKER BAACK: One minute.

SENATOR BEUTLER: ...the investment in any one person shall not exceed 5 percent of the admitted assets. Now there are other provisions that deal with corporations or extended family situations or immediate family situations? I mean, is person defined beyond Section 15? I assume maybe I've just overlooked that.

SENATOR LANDIS: There is a definition of person at the bottom of 17, for the purposes of this section, person shall mean an individual or entity or group of individuals or entities so related as in fact to constitute a single venture, institution, corporation, association, company, partnership, syndicate, trust, society, or other legal entity.

SENATOR BEUTLER: Where are you, Senator Landis, I'm sorry?

SENATOR LANDIS: Bottom of 17, subsection (d)(5), line 24, definition of person.

SENATOR BEUTLER: Section 17?