**Section 945.40 Definition of Admitted Assets for Insurance Companies**

Admitted assets includes the investments authorized or permitted by the Code, exclusive of Section 136 of the Code [215 ILCS 5/136], the credit for reinsurance allowed by the Code, and the following:

a) Petty cash and other cash funds in the company's principal or any official branch office and under the control of the company.

b) Immediately withdrawable funds on deposit in demand accounts, in a bank or trust company as defined in Section 126.2MMM(1) of the Code [215 ILCS 5/126.2MMM(1)] or like funds actually in the principal or any official branch office at statement date, and in transit to such bank or trust company with authentic deposit credit given prior to the close of business on the fifth bank working day following the statement date.

c) The amount fairly estimated as recoverable on cash deposited in a closed bank or trust company, if qualifying under the provisions of this Section prior to the suspension of such bank or trust company.

d) Bills and accounts receivable collateralized by securities of the kind in which the company is authorized to invest.

e) Bills receivable not past due covering uncollected premiums taken by a company in the transaction of business described in Section 4, Class 3 of the Code [215 ILCS 5/4], in an amount not to exceed the unearned premium reserve liability calculated on each respective policy.

f) For in force insurance coverages written by fire, casualty, and reciprocal companies, excluding group accident and health business, premium deposits, gross premiums, and agents' balances (net of related commissions) not more than 90 days past due; installments booked but deferred and not yet due (net of related commissions), provided that all amounts having become due from the insured are not more than 90 days past due; and audit and retrospective premium to the extent permitted to be admitted pursuant to the Annual Statement Instructions and the Accounting Practices and Procedures Manual for Property and Casualty Insurers published by the National Association of Insurance Commissioners, unless the Director prescribes otherwise. However, audit and retrospective premiums that represent anticipated additional premiums on policies for which the policy period has not yet expired may not be admitted.

g) Net amount of uncollected premiums on group life and group accident and health policies, not more than 90 days past due.

h) Due and uncollected accident and health premiums on in force individual policies, on insurance written by companies pursuant to Section 4, Class 1 of the Code [215 ILCS 5/4], less commissions due thereon to agents; not exceeding in the aggregate the premium reserve liability computed on such business.

i) Premium notes, policy loans and liens, and the net amount of uncollected and deferred premiums on individual life insurance policies, not in excess of the liability for the legal reserves specified in Section 223 or Section 281 of the Code [215 ILCS 5/223 or 281] on such individual life insurance policies.

j) Premium and assessment notes, certificate loans and liens, and the gross amount less loading, of premiums or assessments actually collected by subordinate lodges not yet turned over to the Supreme Lodge on individual life insurance certificates not in excess of the liability for the legal reserves specified in Section 297.1 or Section 305.1 of the Code [215 ILCS 5/297.1 or 305.1] on such individual life insurance certificates.

k) Mortuary assessments due and unpaid on last call made within 60 days, on insurance in force and for which notices have been issued, not in excess of the liability for the unpaid claims which are to be paid by the proceeds.

l) Amounts fairly estimated as recoverable from advances made on contracts under surety bonds.

m) Amounts receivable from insurance companies authorized to do business in this State and from associations or bureaus owned or controlled by 5 or more separate and nonaffiliated, by ownership or management, insurance companies of which a majority thereof are authorized to transact business in this State. The amount of those receivables allowed as admitted assets may not exceed the lesser of 5% of the company's total admitted assets or 10% of the company's surplus as regards policyholders. Amounts receivable from insurance companies or associations or bureaus not meeting the preceding standards of this Part if collateralized in the manner prescribed by Section 173.1 of the Code [215 ILCS 5/173.1].

n) Tax refunds due from the United States or any state, the Government of Canada or any province, or the Commonwealth of Puerto Rico or amounts due to a subsidiary from a parent under a tax allocation agreement that conforms with rules adopted by the Director.

o) The interest accrued on mortgage loans conforming to the Code, not exceeding an aggregate amount on an individual loan of one year's total due and accrued interest.

p) The rents accrued and owing to the company on real and personal property, directly or beneficially owned, not exceeding on each individual property the amount of one year's total due and accrued rent.

q) Interest or rents accrued on conditional sales agreements, security interests, chattel mortgages and real or personal property under lease to other corporations, all conforming to the Code, and not exceeding on any individual investment, the amount of one year's total due and accrued interest or rent.

r) The fixed and required interest due and accrued on bonds and other like evidences of indebtedness, conforming to the Code, and not in default.

s) Dividends receivable on shares of stock conforming to the Code; provided that the market price taken for valuation purposes does not include the value of the dividend.

t) The interest or dividends due and payable, but not credited, on deposits in banks and trust companies or on accounts with savings and loan associations.

u) Interest accrued on secured loans conforming to the Code, not exceeding the amount of one year's interest on any loan.

v) Interest accrued on tax anticipation warrants.

w) The value of electronic computer or data processing machines or systems purchased for use in connection with the business of the company, if such machines or systems whenever purchased have an aggregate original cost to the company of at least $75,000. The amortized value of such machines or systems at the end of any calendar year shall not be greater than the original purchase price less 10% for each completed year, or pro rata portion for any fraction thereof, after such purchase, with the total admissible value at any statement date to be limited to an amount not exceeding 2% of the company's admitted assets at such statement date.

x) Amounts, other than premium, receivable from affiliates, not outstanding for more than 3 months, and arising under management contracts or service agreements which meet the requirements of Section 141.1 of the Code [215 ILCS 5/141.1] to the extent that the affiliate has liquid assets sufficient to pay the balance. The amount of those receivables included in admitted assets may not exceed the lesser of 5% of the company's admitted assets or 10% of the company's surplus as regards policyholders. For purposes of this subsection (x), "affiliate" has the meaning given that term in Section 131.1 of the Code [215 ILCS 5/131.1].

y) Property and liability guaranty fund or guaranty association assessments paid in any state, but only to the extent it is probable the company will be able to offset those assessments against present or future premium taxes or income taxes payable in the state in which the assessments were paid. The amount of those assessments allowed as admitted assets may not exceed the lesser of 5% of the company's total admitted assets or 10% of the company's surplus as regards policyholders. The Director may disallow any such assessment as an admitted asset to the extent he determines a company is unlikely to realize a present or future premium tax or income tax offset as a result of the assessment.