

(I) QUALITY, MATURITY, AND DIVERSIFICATION OF INVESTMENTS;
AND

(II) INVESTMENT STRATEGIES THAT ASSURE THAT INVESTMENTS
AND INVESTMENT PRACTICES ARE APPROPRIATE FOR:

1. THE BUSINESS CONDUCTED BY THE LIFE INSURER;
2. THE LIQUIDITY NEEDS OF THE LIFE INSURER; AND
3. THE CAPITAL AND SURPLUS REQUIREMENTS OF THE LIFE
INSURER.

(3) BEFORE ADOPTING THE PLAN REQUIRED UNDER PARAGRAPH (1) OF
THIS SUBSECTION, THE BOARD SHALL REVIEW AND ASSESS THE LIFE INSURER'S
TECHNICAL INVESTMENT AND ADMINISTRATIVE CAPABILITIES AND INVESTMENT
EXPERTISE.

(C) (1) THE BOARD SHALL SUPERVISE AND DIRECT ANY INVESTMENTS
ACQUIRED AND HELD UNDER THIS SUBTITLE.

(2) AT LEAST ANNUALLY, THE BOARD BY FORMAL RESOLUTION SHALL
DETERMINE ~~THAT~~ WHETHER ALL INVESTMENTS HAVE BEEN MADE IN ACCORDANCE
WITH DELEGATIONS, STANDARDS, LIMITATIONS, AND INVESTMENT OBJECTIVES
PRESCRIBED BY THE BOARD OR COMMITTEE CHARGED WITH THE RESPONSIBILITY
OF DIRECTING THE LIFE INSURER'S INVESTMENTS.

(D) IN ORDER TO DETERMINE WHETHER THE INVESTMENT ACTIVITY OF THE
LIFE INSURER IS CONSISTENT WITH THE PLAN REQUIRED UNDER SUBSECTION (B)
OF THIS SECTION, ON AT LEAST A QUARTERLY BASIS, THE BOARD OR COMMITTEE
SHALL:

(1) RECEIVE AND REVIEW A SUMMARY REPORT ON THE LIFE INSURER'S
INVESTMENT PORTFOLIO, INVESTMENT ACTIVITIES, AND INVESTMENT PRACTICES
ENGAGED IN UNDER DELEGATED AUTHORITY; AND

(2) REVIEW AND REVISE AS NEEDED THE PLAN REQUIRED UNDER
SUBSECTION (B) OF THIS SECTION.

(E) IN THE DISCHARGE OF DUTIES UNDER THIS SECTION:

(1) THE BOARD SHALL REQUIRE THAT THE FOLLOWING BE MADE
AVAILABLE ON A REGULAR BASIS TO THE BOARD:

(I) THE RECORDS OF ANY AUTHORIZATIONS OR APPROVALS;

(II) THE REPORTS OF ANY ACTION TAKEN UNDER THE AUTHORITY
DELEGATED UNDER THE PLAN REQUIRED UNDER SUBSECTION (B) OF THIS SECTION;
AND

(III) ANY OTHER DOCUMENTATION AS THE BOARD MAY REQUIRE;
AND