

RCW 48.13.091 Prohibited investments. (1)(a) An insurer shall not invest in investments that are prohibited for an insurer by statutes or rules of this state.

(b) The use of a derivative instrument for replication, speculative, or for any purposes other than hedging or income generation, is prohibited.

(c) Investment in real property for speculative, ranching, farming, mining, gaming, amusement, oil, gas, or mineral exploration, or club purposes, is prohibited.

(d) Investment in issued shares of its own capital stock, held directly or indirectly, except for the purpose of mutualization in accordance with RCW 48.08.080, is prohibited.

(e) Investment in securities issued by any corporation if a majority of its stock having voting power is owned directly or indirectly by or for the benefit of any one or more of the insurer's officers and directors, is prohibited.

(f) Investment in securities issued by any insolvent corporation, is prohibited.

(g) Investment in any instrument or security which is found by the commissioner to be designed to evade any limitation or prohibition of this code, is prohibited.

(2) A reasonable time, not in excess of five years, shall be allowed for disposal of a prohibited investment in hardship cases if the investment is demonstrated by the insurer to have been legal when made, or the result of a mistake made in good faith, or if the commissioner deems that the sale of the asset would be contrary to the interests of insureds, creditors, or the general public. [2011 c 188 s 10.]