

31A-18-110 Investment valuation reserves.

- (1) The commissioner may by rule, applicable to all or any specified classes of insurers, provide for the establishment, in reasonable amounts, of investment valuation reserves that are necessary to lessen the impact on surplus of the fluctuation of the values of specific classes of assets. In formulating these rules, the commissioner shall consider:
 - (a) similar rules used in other states or recommended for use by the National Association of Insurance Commissioners;
 - (b) the propensities of the various types and classes of investments to fluctuate in value; and
 - (c) the present and anticipated investment climate, as measured by economic indicators such as interest rates, price-level changes, market volatility, and economic growth or decline.
- (2) The commissioner may by order require an individual insurer to establish investment valuation reserves in addition to those required for other insurers of the class to which the insurer belongs, to the extent that the financial condition of the insurer and the nature of its assets and liabilities or business require that those reserves be established to adequately protect its insureds.
- (3) Where reasonably possible, reserves required under Subsection (1) shall correspond with those generally required in other states.

Enacted by Chapter 242, 1985 General Session