

**Superseded 5/12/2015**

**31A-37-302 Investment requirements.**

- (1)
- (a) Except as provided in Subsection (1)(b), an association captive insurance company, a sponsored captive insurance company, and an industrial insured group shall comply with the investment requirements contained in this title.
  - (b) Notwithstanding Subsection (1)(a) and any other provision of this title, the commissioner may approve the use of alternative reliable methods of valuation and rating under Section 31A-37-106 for:
    - (i) an association captive insurance company;
    - (ii) a sponsored captive insurance company; or
    - (iii) an industrial insured group.
- (2)
- (a) Except as provided in Subsection (2)(b), a pure captive insurance company or industrial insured captive insurance company is not subject to any restrictions on allowable investments contained in this title.
  - (b) Notwithstanding Subsection (2)(a), the commissioner may, under Section 31A-37-106, prohibit or limit an investment that threatens the solvency or liquidity of:
    - (i) a pure captive insurance company; or
    - (ii) an industrial insured captive insurance company.
- (3)
- (a)
    - (i) Except as provided in Subsection (3)(a)(ii), a captive insurance company may not make loans to:
      - (A) the parent company of the captive insurance company; or
      - (B) an affiliate of the captive insurance company.
    - (ii) Notwithstanding Subsection (3)(a)(i), a pure captive insurance company may make loans to:
      - (A) the parent company of the pure captive insurance company; or
      - (B) an affiliate of the pure captive insurance company.
  - (b) A loan under Subsection (3)(a):
    - (i) may be made only on the prior written approval of the commissioner; and
    - (ii) shall be evidenced by a note in a form approved by the commissioner.
  - (c) A pure captive insurance company may not make a loan from:
    - (i) the paid-in capital required under Subsection 31A-37-204(1); or
    - (ii) the free surplus required under Subsection 31A-37-205(1).