

**521J.13 Legal investments.**

1. *a.* Industrial insured captive companies and captive risk retention groups shall comply with investment requirements as established by the commissioner by rule. The commissioner may approve the use of alternative reliable methods of valuation and rating.

*b.* If a captive company's admitted assets total less than five million dollars, the commissioner may approve an investment of up to twenty percent of the captive company's admitted assets in rated credit instruments in any one investment that meets the requirements established by the commissioner by rule.

2. A pure captive company, or a protected cell captive company, shall not be subject to any restrictions on allowable investments, except that the commissioner may prohibit or limit any investment that threatens the solvency or liquidity of the pure captive company.

3. Any captive company may make loans to any of the captive company's affiliates with prior written approval of the commissioner, and each loan must be evidenced by a note in a form as approved by the commissioner by rule. Loans made from minimum capital and surplus funds required by [section 521J.4](#) shall be prohibited.

[2023 Acts, ch 107, §16](#)

Referred to in [§521J.21](#)