WEST VIRGINIA CODE: §33-8-1

§33-8-1. Purpose and scope.

(a) The purpose of this article is to protect the interests

of insureds by promoting insurer solvency and financial strength. This will be accomplished through the application of investment standards that facilitate a reasonable balance of the following objectives:

(1) To preserve principal;

(2) To assure reasonable diversification as to type of investment, issuer and credit quality; and

(3) To allow insurers to allocate investments in a manner consistent with principles of prudent investment management to achieve an adequate return so that obligations to insureds are adequately met and financial strength is sufficient to cover reasonably foreseeable contingencies.

(b) This article applies only to investments and investment practices of domestic insurers and United States branches of alien insurers entered through this state. This article does not apply to separate accounts of an insurer except as provided in article thirteen-a of this chapter.

(c) This recodification of former article eight preserves and continues prior limitations contained in section 106(a)(1) or (2) of the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA"), an act of the Congress of the United States adopted by the acts of the Legislature in 1991 albeit under separate sections of the same article. Pursuant to section 106(b) of SMMEA, this section prohibits domestic insurers from exercising the investment authority granted any person, trust, corporation, partnership, association, business trust or business entity pursuant to section 106(a)(1) or (2) of that act.

WV Legislature